

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: March 1, 2022

TO: Shawn Rolland, Co-Chair, Ricardo Diaz, Co-Chair,
American Rescue Plan Act of 2021 (ARPA) Task Force

FROM: Revenue Loss Recovery Subgroup

SUBJECT: ARPA Fiscal Health Project Challenge Recommendations

REQUEST

A report from the American Rescue Plan Act (ARPA) Revenue Loss Recovery Subgroup requesting authorization of \$20.3 million in ARPA Funds for “Fiscal Health Challenge” project requests, which include one-time investments that provide long term cost savings, revenue enhancements, and/or operational efficiencies.

POLICY

Milwaukee County Board file 21-555: “A resolution to create a Task Force to review and recommend funding allocations to the Milwaukee County Board of Supervisors for monies received by the County in the Federal American Rescue Plan Act of 2021”

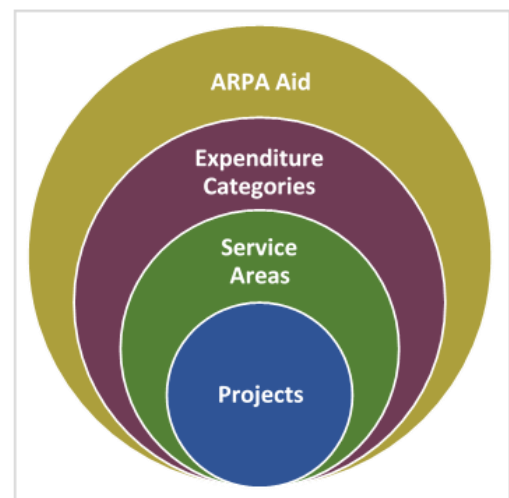
BACKGROUND

Milwaukee County will directly receive \$183 million between 2021-24 in federal ARPA State and Local Fiscal Recovery Funds. The Milwaukee County ARPA Task Force has allotted \$115.7 million of this allocation to the Revenue Loss Recovery subgroup for Fiscal Health projects.

The Revenue Loss Recovery Subgroup was established to generate project-level allocation recommendations to improve the fiscal health of Milwaukee County and strengthen support for vital public services.

The Revenue Loss Recovery Subgroup engages the following supplementary groups as appropriate: Fiscal Health Strategy Team, Information Management Services Division (IMSD), Capital Improvement Committee Subgroup, and the Facilities Management Division. The subgroup followed the criteria set by the task force on September 2, 2021 to produce a list of high priority projects for recommendation (Appendix A).

Diagram A: Illustration of Terms



FISCAL HEALTH CHALLENGE OVERVIEW

The Revenue Loss Recovery Subgroup created the Fiscal Health Project Challenge to improve Milwaukee County’s fiscal position through cost savings, revenue generation, and or operational improvements. Proposed strategies are designed to generate projects that make limited, one-time investments in strategies that will impact the structural deficit.

- **Cost Savings:** strategies that lower current spending for Milwaukee County and do not have a negative impact on business operations or service levels.
- **Revenue Generation:** strategies that results in new and sustainable revenue for the organization.

- **Capital Improvements & Deferred Maintenance:** projects that have been assessed by the Capital Improvements Committee.
- **Operational Improvement:** strategies that improve Milwaukee County operations through a one-time, short-term investment.

Proposals are selected based on the Federal regulations for use of ARPA funds as well as the criteria set forth by the ARPA Task Force and includes the following items:

- Requires a limited term (1-3 year) investment for implementation
- Is within Milwaukee County scope of services
- Enhance the County's fiscal health and sustainability
- Invest in equity and intentional inclusion
- Sustainable beyond the initial investment
- Operational or capital in nature

Based on the criteria set forth by the ARPA Task Force Fiscal Health Projects scoring priorities are defined as:

- **High Priority** (60-100 average): project is recommended for Milwaukee County ARPA Fiscal Health funds funding
- **Moderate Priority** (40-59 average): Project is put on hold and may be considered the next round of Milwaukee County ARPA Fiscal Health fund allocations
- **Low Priority** (0-39 average): Project is not being considered for Milwaukee County ARPA Fiscal Health funds

The Revenue Loss Recovery subgroup follows a process that was set by the task force on September 2, 2021 (Appendix B). As part of this process, the subgroup reviewed:

- **33** projects were submitted for a total request \$135,456,704.19
- **11** projects are recommended by the ARPA Fiscal Health Subgroup to receive total of \$20,376,467.00¹
- **15** projects are identified as "Moderate Priority Projects" by the ARPA Fiscal Health Subgroup for a total of \$38,318,108.00 and may be considered at a future date
- **7** projects are identified as "Low Priority Projects" by the ARPA Fiscal Health Subgroup for a total of \$63,929,229.00

Reviewers of Fiscal Health Challenge proposals included the following individuals:

Name	Title	Department
Vince Masterson	Capital Budget Coordinator	Strategy, Budget & Performance
Joe Lamers	Director	Strategy, Budget & Performance
Justin Rodriguez	Budget & Management Coordinator	Office of Comptroller
Michelle Nate	Deputy Comptroller	Office of Comptroller
Julie Esch	Deputy Director	Department of Transportation
Pamela Bryant	Capital Finance Manager	Office of Comptroller

¹ The total requested funds recommended projects was \$32,961,867.00. Some projects were adjusted for further evaluation, study, and/or prioritization

PRIORITIZED PROJECTS

The highest-ranking projects are listed and described below for recommendation.

Project Name	Description	Budget
Climate Action Plan & Lighting Upgrades (DAS)	Advance the Climate Action 2050 initiative by delivering a comprehensive plan for the County to reduce and offset its operational greenhouse (GHG) emissions. Additionally, the project will launch a Lighting Upgrades Program to reduce the County's largest source of GHG emissions, reducing building energy use. The project will improve energy efficiency of County lighting systems in 3 million sq ft of building space, resulting in an estimated \$258,664 of energy savings per year. Further, the project will be implemented through a unique partnership with a third-party workforce intermediary, electrical contractors, and the local community.	\$2,171,566.00
King Community Center Building Exterior Improvements (Parks)	Enhance energy efficiency and attractiveness of the King community center by creating an investment in repairing the building exterior to include 1) façade enhancements, 2) roof replacement, 3) window and door replacement, and 4) addressing other deferred maintenance and insulation. The King Community Center was designed in the early 1970s. The façade has not been updated since 1976. The roof has leaking which causes damage to the interior. The facility has faulty doors that in some cases do not fully close, as well as inefficient windows that do not function, and other deferred maintenance that would be addressed or repaired through this project. This project will provide funding for deferred maintenance that needs to be addressed as part of the County's capital plan. It is expected to result in cost savings through energy efficiency as well as reduced need for routine exterior repairs. Improvements to the building may also result in increased annual memberships and revenue. In that the majority or members of the center are people of color, the investment in health outcomes in this proposal also has a focus on achieving racial equity by boosting the health outcomes of the population that the community center serves.	\$1,515,000.00
Boat Launch Electronic Pay Stations (Parks)	Purchase and install new payment kiosks at boat launch sites to offer the ability to collect cashless payments and printed receipts to be displayed on customer dashboards. This will result in less errors in the process which will lead to greater assurance in revenue collection. Parks estimates that revenue will increase by 20% by installing pay stations at three locations which is approximately \$7,500 per year. There will also be a reduction in staff time collecting and counting cash	\$69,300.00

	deposits, for \$1,500 in labor savings per year. The machines will further result in less risk for error. Ten-year savings and revenues from the kiosks are estimated at \$98,548.	
Parks Golf Course Irrigation & Cart Path Construction	Replace the irrigation systems at Lake, Warnimont, Noyes and Zablocki golf courses and install cart paths at Whitnall and Dretzka golf courses. The proposed project would remedy failing existing infrastructure and grow direct revenue to Milwaukee County Parks. Milwaukee County Parks operates fourteen traditional golf courses. Multiple elements of this project are included as necessary improvements in the five-year capital plan. The condition of the golf courses and amenities offered directly correlates to the revenue that each one can generate. This request will replace obsolete irrigation infrastructure with modern, efficient infrastructure that will reduce staff time due to manual watering, ongoing maintenance, and utility operating expenses. Additionally, this project proposes to install cart paths at courses scheduled to experience infrastructure improvements to take advantage of already in-progress capital projects. Cart paths are important because they increase the number of days that golf carts can be rented which grows direct revenue for the department. Parks is projecting \$107k in annual cost savings within two years of project implementation as well as \$200k annual of revenue within two years of project implementation. Staff time will be spent more efficiently on improved course conditions and customer service. Combining ARPA with already scheduled improvements at Whitnall and Dretzka golf course will reduce service disruption.	\$6,435,000.00
Parks Conversion to Bicycle & Pedestrian Trail	Parks proposes to convert two under-utilized and difficult to maintain parkway segments to bicycle and pedestrian mixed-use trails to provide enhanced recreational amenities, reduce deferred maintenance and operational inefficiencies, reduce reckless driving and speeding, and encourage active lifestyles and healthy activities. Specifically, the Parks department proposes to convert the Little Menomonee Parkway segment from Appleton Ave to Mill Rd or Leon Terrace (total of length of .9 miles) and the Lincoln Creek Parkway from N 23rd St to N 27th St (.3 miles) to a dedicated bicycle and pedestrian trail with no motorized vehicular thru access. These segments of parkway were identified because they do not connect park users to assets, the street network provides alternatives, the roadways are in poor condition, reckless driving is an issue for park users and staff safety, and the Oak Leaf Trail is routed on these parkways. Similar projects have been converted in Greenfield Park and along Underwood Parkway and have	\$2,648,800.00

	<p>added value to the parks system in the process. This project addresses deferred maintenance in a future capital plan – Little Menominee River Parkway estimated at \$2.5M in ten years and provides \$132,000 of operational cost savings in a ten-year period, through reduced routine maintenance needs. Further, pavement is reduced and green space increased, park patron and staff safety improved, reckless driving discouraged, reckless driving discouraged, and park use increases.</p>	
<p>Parks System Wide Steam Boiler Replacements</p>	<p>There are over 150 buildings within the Milwaukee County Parks system that are heated during cold weather months but only 6 are heated using steam boiler systems. This type of heating system is incredibly labor intensive to operate as steam boilers require constant attention from staff and are potentially dangerous as failed steam boilers are prone to explosion. The rate of failure of these systems is increasing as they age. One of the six existing steam boilers will be addressed as part of the collaborative project with MMSD to enhance Jackson Park, and the remaining five remaining steam boilers that should be replaced within the 1) Lake Park Service Yard building, 2) Wilson Park Boat house, 3) Center Street Park Pavilion, 4) Parks Maintenance at 68th and State St., and 5) Pulaski Milwaukee Pavilion. These five steam boilers are requested for replacement in this project. At present, Parks Trades staff need to visit these sites and attend to the steam boilers 3 times per week throughout the heating season. That equals an estimated 72 visits per site over a 6-month heating period of a 2-3 hours per visit. When factoring in the cost of labor the current service equates to approximately \$8,000/year for each of the 5 sites totaling \$40,000/year. These 5 sites require an inequitable amount of attention from Parks Trades staff and if addressed through this proposal that time could be better spent on addressing all 150 heated facilities more fairly. In the short term, Parks estimates \$40,000 of maintenance cost savings per year and earned revenue at two pavilions of \$42,000 per year. Enhancing two rental facilities at Wilson Park and Pulaski Park will increase rental revenue. Over a 15-year period parks estimates \$691,737 in saved expense and \$670,905 in new revenue generated, for a total of \$1,368,642 over 15 years. The new systems will also be more energy efficient and reduce greenhouse gas emissions. The project will replace outdated heating systems and improve employee safety. The project will allow parks staff to provide more and better preventative maintenance system wide rather than focusing time on inefficient heating systems.</p>	<p>\$1,474,000.00</p>

Parks Energy Efficient Light Fixture Upgrades	<p>Replace inefficient and aging lighting throughout the park system fixtures to new LED fixtures that will in turn improve the safety of park users within our parks and parkways. The plan will address lighting along parkways, interior park pathways, and fixtures within buildings. the project will require the upgrade of controllers and provide dedicated WE Energies service where needed in certain circumstances. Milwaukee County Parks is budgeted to expend \$1.6 million on electric utility charges in 2022. General estimates are that lighting comprises between 20% to 25% of the electrical bill. Parks staff will address light fixtures that are in the most urgent need of attention, and which need to be upgraded. Light fixtures will be addressed along parkways, interior park pathways, and fixtures within buildings. This lighting project will also increase safety for park users at night and in early morning hours. The project will increase both the fiscal health and environmental sustainability of the County. The project will result in less energy use, less greenhouse gas emissions and reduced need for staff repairs and standard maintenance (bulb replacement). Estimated savings range from 10% to 40% in electrical costs for replaced facilities.</p>	\$3,000,000.00
Historical Society Records Management Improvements	<p>The Milwaukee County Historical Society (MCHS) serves as the state-mandated third-party repository for many Milwaukee County records. MCHS storage is at capacity with the 12,000 cubic feet of Milwaukee County records it already holds. With the prospect of taking on several thousand more cubic feet of additional records, significant adjustments to current storage needs to be made. Milwaukee County is currently storing 150,800 boxes with at third-party vendor storage site at a cost of \$289,536 per year. Approximately 75,000 of those boxes have reached their disposition date as determined by the County's approved retention schedule. A disposition project has been initiated at Milwaukee County to reduce these records from storage. Removing these 75,000 boxes from storage, through transfer and/or destruction, would save the County \$146,250 each year. A portion of these records are of historical importance and must be retained because they hold vital information for Milwaukee County residents. An important component of the disposition project is to have adequate storage capacity at MCHS to accommodate additional historical records, and this request will accommodate additional storage needs.</p>	\$449,034.00
MCDOT Fleet Management Building Solar PV System	<p>The Milwaukee County Department of Transportation (MCDOT) submitted a proposal to install solar panels on the roof of MCDOT's Fleet Management building. The proposal has the potential for significant energy</p>	\$125,000.00

	<p>efficiency savings and cost savings. The Department of Administrative Services - Facilities Management Division has recommended further evaluation of the building's roof condition and feasibility for solar installation, as well as implementation plans, prior to initiating a project to install solar panels. As a result, \$125,000 is recommended to conduct a feasibility study for installation of solar panels on the MCDOT roof. Milwaukee County's Office of Sustainability has identified solar power as one of the best investments a governmental entity, business or facility can make. Solar electric systems reduce dependence on the local electric utility. The County may consider funding for this project within future allocations, pending results of the feasibility study.</p>	
Medical Examiner Mass Spectrometer (LC-QToF)	<p>The Toxicology laboratory of the Medical Examiner's Office requests to purchase an LC-QToF (Liquid chromatograph quadrupole mass spectrometer with a time of flight detector) to support the screening capabilities of the lab. The lab currently has one instrument and needs to replicate that instrumentation to keep up with the ever-increasing case load. The toxicology lab serves as an essential service provider as the county continues to fight the opioid epidemic. The addition of an LC-QToF to the toxicology laboratory will allow the laboratory to decrease its turnaround time and provide accurate and timely results in the death investigations that fall under the purview of the medical examiner's office. It would also allow the laboratory to solicit toxicology reference work from other clients to provide revenue to the department. The addition of a second instrument would not only elevate downtime to service when the current instrument is down for maintenance or out of service but would allow for an increase in efficiency as more samples would be able to be analyzed and data interpreted by the analysts. This piece of equipment has been identified as an urgent need from the Medical Examiner to address increased workload because of the opioid epidemic. The equipment will also provide additional revenue through laboratory requests from other clients who provide revenue for services offered by the Medical Examiner's Office.</p>	\$550,000.00
Zoo Point-of-Sale System	<p>Purchase a new Point-of-Sale (POS) System which includes the hardware, training and installation, support, and purchase of software and licenses. This will 1) generate incremental revenue on an annual basis through a variety of activities; 2) significantly enhance the customer experience and reduce redundancies currently experienced with numerous POS systems on Zoo grounds;</p>	\$1,938,767.00

	3) play an integral part in the success of the Zoo Main Entrance Modernization by easing the flow of guests entering the park; and 4) provide annual cost savings. The existing Point of Sale System at the Zoo will need to be replaced soon. The recommended new system will provide operational improvements and opportunities for additional revenue generation. Operational improvements include improved overall guest flow and reduced lines throughout the park, increased buying power and control given directly to customers, etc. A more robust online/digital platform, customer self-service digital solutions, guest wallet capabilities, full digital ticketing solutions, handheld POS solutions capable of accepting all forms of payment and Zoo membership benefits, loyalty and reward programs, robust customer relationship management, application programming interface will also increase the overall guest experience by improving the overall guest journey throughout the park which impacts revenue both directly and indirectly.	
Total Funding Recommended		\$20,376,467.00

Appendix C includes a full listing of projects that were requested as part of the Fiscal Health Challenge. High priority projects are those that are recommended for funding. Moderate priority projects may be considered within future ARPA funding allocation. Low priority scoring will not be considered to receive ARPA funding.

RECOMMENDATION The American Rescue Plan Act (ARPA) Revenue Loss Recovery Subgroup recommends authorization of \$20.3 million in ARPA Funds for “Fiscal Health Challenge” project requests, which include one-time investments that provide long term cost savings, revenue enhancements, and/or operational efficiencies.

PREPARED BY:

Fiscal Health Subgroup

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the strategic plan:

3A: Invest “upstream” to address root causes of health disparities

3B: Enhance the County’s fiscal health and sustainability

3C: Dismantle barriers to diverse and inclusive communities

ATTACHMENTS:

Appendix A: Fiscal Health Challenge Project Criteria

Appendix B: Fiscal Health Challenge Project Review Process

Appendix C: Fiscal Health Project Challenge Overview: Project Rankings