



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

ARPA FUNDING ALLOCATION TASK FORCE

Ald. Milele Coggs, CHAIR

Molly King, Luke Knapp, Ald. Jocasta Zamarripa, Ald. Mark Chambers, Aycha Sawa, Nik Kovac, Bernadette Karanja, Steven Mahan, Cecilia Gilbert, and Stephanie Mercado

Staff Assistant, Chris Lee, 414-286-2232, Fax: 414-286-3456, cle@milwaukee.gov

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Andrea Fowler, ARPA Director, 414-286-3556, anfowler@milwaukee.gov

Friday, September 1, 2023

11:00 AM

Room 301-B, Third Floor, City Hall

This is also a virtual meeting conducted via GoToMeeting. Should you wish to join this meeting from your phone, tablet, or computer you may go to <https://meet.goto.com/949981293>. You can also dial in using your phone United States: +1 (224) 501-3412 and Access Code: 949-981-293.

1. Call to order.

Meeting called to order at 11:10 a.m.

2. Roll call.

Pres. Perez present as a member through completion of item 4. Pres. Perez left the meeting prior to item 5.

Present 9 - Mahan, Gilbert, Coggs, Perez, Sawa, Karanja, Zamarripa, Kovac and Chambers Jr.

Absent 1 - Mercado

Excused 1 - King

Also present:

*Andrea Fowler, Budget Office ARPA Director
Tea Norfolk, LRB Fiscal Planning Specialist
Luke Knapp, 12th Ald. Dist.*

3. Review and approval of the previous meeting minutes from July 26, 2023.

Meeting minutes from July 26, 2023 were approved without objection.

4. Review, discussion, and/or motion(s) on the City's 2024 budget process, plans, and department requests.

Member Kovac gave an update. The mayor's proposed 2024 budget was close to being finished. The city's sales tax would be a game changer adding a new revenue source (\$200 plus million). The Comptroller's Office has yet to recognize a certain amount. The 2024 budget would be the last opportunity to use remaining ARPA funds. He has sent a letter to Common Council members outlining seven considerations. The 2024 budget would be a cost to continue budget with no envisioned cuts. There would need to be increases to police and fire sworn personnel due to Act 12. There would be increases to the budgets of the Office of Equity and Inclusion and the Office of African American Affairs. There would be effort to reverse the depletion of the pension reserve and tax stabilization funds. Some priority capital fund projects would commence as opposed to the general deferring of capital projects. There would be more competitive wages for city employees such as through reclassification studies, and this would cost over \$25 million. \$200 million would be put into the pension reserve fund.

Members inquired about the use of all remaining ARPA funds towards the 2024 budget, capital projects, ADA compliance into the capital projects fund, and time frame to encumber and spend remaining ARPA funds.

Member Kovac and Ms. Fowler replied that the proposed plan was to apply all remaining 2nd tranche ARPA funds (\$92.7 million) towards 2024 salaries and reallocate \$17 million (originally \$10 million) of unspent 1st tranche funds. There would also be tax levy money (freed up from the use of ARPA) to go into a SPA for community-led projects as previously mentioned. The final amount for funded capital projects was being finalized. Some main capital projects would include police, fire, and library. Police Radio was one known costs at \$40 million. They were not prepared to give line items in detail for capital projects in public but was open to brief Council members offline in private. The \$17 million was not new ARPA funds but from existing programs that would continue to be funded (just not with ARPA). The proposal for the community-led SPA would be \$5 million. Compliance with ADA rules (both current and new) would not be separate line items. They would be included in the projects, such as high impact paving, streets, and buildings. Remaining ARPA funds would need to be encumbered (contracted) by the end of 2024 and spend by the end of 2026.

Members questioned funding of the Office of Violence Prevention in 2024 and gaps in OVP payment of services.

Member Kovac and Ms. Fowler replied. OVP would be primarily funded by state grants, and their amounts were significant. There was no plan to cut OVP in 2024. Majority of OVP funding would be under contract and safe from federal guidelines. It was common for the sub recipient negotiation and payment process to take time. Payment would be through a reimbursement process for performed work entailing submission of costs reports and review by staff and the Comptroller. Any delays, especially the absence of costs reports, would delay payment as far as up to two quarters (in months).

Chair Coggs and member Chambers, Jr. were concerned with the volatility and discrepancies in OVP payment for services given OVP was receiving significant state ARPA funding (\$8.4 million). Chair Coggs would open a communication file to the Public Safety and Health Committee to discuss further this issue. She also requested

the Comptroller to do an audit of the Milwaukee Health Department's subawardee payment process, especially for OVP. There has been issues for years, and the process needed to be streamlined or changed.

Member Kovac said that the mayor was transparent in wanting the majority of ARPA remaining funds go into the 2024 budget, \$10 million of unspent ARPA funds from the first tranche was still being committed, projects from the first tranche that would have their ARPA funds reallocated would continue to be funded through the budget, their belief was that it would be too late at this juncture to use remaining ARPA funds as originally planned, the task force would be able to transform itself from ARPA to oversee the community-led SPA instead, and the mayor's proposed budget could be changed by the Common Council.

Chair Coggs said she had many frustrations. \$5 million being proposed for the community-led SPA was too small. She was hopeful for a much larger, amount comparable to the amount (\$25 million) from the first tranche, on the front end to commit to the community, especially with the hope that the 2% sales tax would lessen the need to use remaining ARPA funds. Having the Council try to make budget amendments on the backend to increase that amount would be very messy and unnecessary since the planned use of all remaining ARPA funds would be baked into so many departments and funds. The Council would not be able to make significant budget amendments as budget amendments would typically be only for a few million. She also was concerned that the SPA route was not as simple as being presented, especially with the SPA being tax-levy dollars instead of ARPA dollars that Councilpersons would have to vote for. She was asked to not hold or to delay holding task force meetings on several occasions. Having no to little ARPA or SPA funds to commit to the community would be disingenuous to the community and would have meant that the task force work thus far would have been all for naught. Also the reallocation of unspent ARPA funds would be based on the mayor's budget priorities and not the community.

5. Review, discussion, and/or motion(s) on ARPA reallocation procedure, schedule, and/or recommendations.

Chair Coggs and member Chambers, Jr. inquired details (line items) of the \$17 million recommended to be reallocated, ability of the Budget Office to determine the repurposing of funds, breakdown of repurposing and reallocations based on existing or new categories and whether they still matched the original ARPA intent, and the procedure, schedule, and legislation needed for the reallocation.

Chair Coggs and member Chambers, Jr. discussed wanting to reconsider the \$5 million amount proposed for the community-led SPA and entertaining a task force recommendation for a final amount designated either towards a community-led SPA, as proposed by the administration, or in remaining ARPA funds toward community projects.

Member Kovac and Ms. Fowler replied. They were not prepared to present a proposed \$17 million in reallocation recommendations. The plan would be to come with the recommendations in detail to the task force after the mayor's proposed budget was presented and released. They were open to meet with chair Coggs privately to address her questions. There was some flexibility to not come before the Council on repurposing ARPA funds. Both allocation of remaining ARPA funds and reallocation of current ARPA funds would require parallel legislation to the 2024 budget. The original descriptions in the 2019 omnibus provided intent on the use of ARPA first tranche

funds. There was no reason to believe repurposed funds were being spent differently. The Council could not direct how the mayor would form its proposed budget, but they were able to amend it. Their technical recommendation would be to apply unspent and remaining ARPA funds to the 2024 budget.

6. Review, discussion, and/or motion(s) on ARPA allocation process, review, and/or recommendations relative to timeline, deadlines, special purpose account, RFP, and/or other aspects.

Ms. Fowler said that the task force needed to approve the RFP schedule and that the amended RFP before the task force would be for the community-led SPA fund.

Member Karanja said that a dedicated funding amount needed to be determined prior to an RFP going out. Otherwise the task force and/or city would be discrediting themselves should they not be able to fulfill projects.

Member Mahan said that the RFP itself, aside from the schedule, was solid.

The task force went into item 7.

Member Chambers, Jr. reconsidered item 6 without objection.

Member Chambers, Jr. moved that the task force recommend \$30 million in remaining ARPA funds toward community projects.

Member Zamarripa objected and said that she supported the proposed community-led SPA route.

Mr. Knapp added that any task force recommendation would be forwarded to the Finance and Personnel Committee.

Council members of the task force expressed frustration with the situation that the task force was in and with not coming to a consensus in making recommendations.

Member Chambers, Jr. withdrew his motion.

Member Sawa said that a title-only file regarding task force recommendations can be introduced at the Common Council September 19, 2023 meeting, that if the task force would be in a better position to deliberate and make recommendations after the mayor's 2024 proposed budget is known, and that task force recommendations would then occur simultaneously with the budget process.

7. Next steps.

A. Items for future agenda.

B. Set next meeting date(s) and time(s).

Chair Coggs proposed whether the task force should entertain recommending an amount either in ARPA remaining funds or a community-led SPA towards community projects.

Ms. Fowler said that the city would risk losing remaining ARPA funds if there was a recommendation to designate a portion of it. The whole RFP process, review,

sponsorship, presentations, meetings, recommendations, and contract negotiations required lengthy time.

Member Sawa said that Comptroller review of projects would take a few weeks under the ARPA route and that she was concern with an ARPA schedule based on the speed of past instances.

The task force reconsidered item 6 without objection to continue discussion.

After completion of the reconsideration of item 6, the task force set the next meeting to Tuesday, September 19, 2023. Agenda items to remain the same and to be determined.

8. Adjournment.

Meeting adjourned at 12:47 p.m.

*Chris Lee, Staff Assistant
Council Records Section
City Clerk's Office*

Meeting materials of the task force can be found within the following file:

[220789](#)

Communication relating to the activities of the American Rescue Plan Act Funding Allocation Task Force.

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