

**AGENDA FOR COMMITTEE OF THE WHOLE MEETING
SUPERIOR, WISCONSIN
Tuesday, January 18, 2022
Immediately after the 6:30 pm Regular Common Council Meeting
Government Center, Board Room 201**

1. **ROLL CALL**
2. **WITH POWER TO ACT: Mayor Paine is recommending the approval of the State and Local Fiscal Recovery Funds (SLFRF) Budget.**

If you would like to speak before the Council, please email the City Clerk’s Office at cityclerk@ci.superior.wi.us prior to the Council meeting. Due to requirements of the Wisconsin Open Meetings laws, only matters placed on this agenda may be approved by the Council at this meeting. However, citizens may address the Council regarding items which require no action. No personal attacks on individuals will be allowed, and all comments by members of the public shall be limited to three (3) minutes in length, and must not include endorsements of any candidates or other electioneering.

Citizens should contact the Mayor, an Alderperson, or the City Clerk to have a matter placed on a future agenda for consideration.

Pursuant to the Americans with Disabilities Act of 1990, if you are in need of an accommodation to participate in the public meeting process, please contact the City Clerk’s Office at (715) 395-7200 (OR dial 711 for Telecommunications Relay Service) prior to the scheduled meeting. The City will attempt to accommodate any request depending on the amount of notice received.

In compliance with Wisconsin Open Meetings Law, this agenda was posted on 1/13/2022 at the following locations: Superior Government Center, Douglas County Courthouse, and online at <https://www.ci.superior.wi.us/agendacenter>. It was also emailed to the Superior Telegram, PACT, and the Superior Public Library.***

Office of the Mayor**Jim Paine, Mayor****Rebecca Scherf, Chief of Staff to the Mayor****SUPERIOR**

WISCONSIN

Living up to our name.

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MEMORANDUM

DATE: 1/12/2022
 TO: City Council
 FROM: Jim Paine, Mayor
 RE: SLFRF Budget

Introduction:

In the spring of 2021, President Biden signed the American Rescue Plan Act (ARPA). Part of this law awarded “State and Local Fiscal Recovery Funds” (SLFRF) to States, Tribes, and local governments across the United States. The City of Superior received \$17,082,059. The distribution occurs over two tranches. We have already received the first in the amount of \$8,541,030 and expect to receive the second tranche containing the balance later in 2022. The stated purpose of the SLFRF is to provide the city “with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.”¹ The ARPA and the Treasury Department’s final rule governing implementation of the SLFRF lists four main goals:

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers
3. For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency
4. To make necessary investments in water, sewer, or broadband infrastructure

Impact of COVID-19 on Superior

The City of Superior underwent significant social and economic change throughout the nearly two year long pandemic. The citizens of Superior endured the same challenges as Americans across the country, including job loss, supply shortages, community wide closures, remote work and school, and the ongoing uncertainty and risk of the virus itself. As the pandemic progressed, the country, including Superior, suffered worker shortages, supply chain delays, increased costs for construction and other goods and services, and an evolving virus that continued to delay a full return to normal.

¹ SLFRF Final Rule, issued by the U.S. Treasury Department and effective April 1st, 2022

The fiscal impact of the pandemic on the City is difficult to determine. Most sources of city revenue have remained stable or increased, though often not at the pace of increases to expenses. Most critically, the City has amended down our projections in Oil Pipeline Terminal Tax revenue after unexpected changes in distribution amounts. These changes, almost certainly connected to the pandemic and its broader economic impacts, have cost the City millions of dollars in projected funds over the next five years and beyond.

Despite these challenges, the City experienced several positive effects. New businesses opened, bringing more life to Superior's downtown and offering opportunity to new entrepreneurs, including several that lost their jobs due to the pandemic. Unemployment has returned to its pre-pandemic levels with nearly all eligible workers employed. Furthermore, the labor shortage, while a challenge for many employers, has led to an increase in wages for employees, especially in the lowest wage jobs. The rapid rise of remote work and meetings has created new employment opportunities for countless professionals and expanded Superior's job market to a national scale. While the economic future of the city remains uncertain, the pandemic has offered as many opportunities as challenges.

Goals of the City of Superior SLFRF budget

The proposed SLFRF budget meets the overall and specific goals of ARPA. It fills the known gaps in our budgets and allows us to make the types of ambitious public investments that defined the years immediately preceding the pandemic while also funding major new opportunities. Superior's SLFRF budget recognizes that the world, and daily life, have significantly changed since the beginning of 2020. The City could exhaust its SLFRF funds merely mitigating the impacts of COVID-19. That would fail the spirit and intent of the law. This budget adapts the City to the changes we have all experienced but, in keeping with the goals of Congress and the President, envisions a better future.

Expenditure Descriptions

Connect Superior--\$5,000,000

The City adopted a Broadband Master Plan in August that expressed its intent and plan to construct a user funded, open access broadband network capable of delivering reliably high speed and affordable internet access to every building in Superior. While users will ultimately fund the network, construction requires significant upfront costs before the network begins generating revenue. Without the use of grant funds, the city would pay the upfront costs either through direct municipal bonds or revenue bonds paid by the users themselves. The use of SLFRF avoids the need for bonds and, because it is a grant that need not be repaid by users, it ultimately lowers the cost to customers.

The city finance department will create a "Connect Superior" fund to track expenses. All contracts and purchases over \$25,000 using these funds will require Council approval. Prior to the end of 2022, the administration will create and submit to the Council an enterprise fund budget describing projected revenues and expenditures.

Historic Rehabilitation--\$4,000,000

Historic architecture defines the built landscape of Superior but many of the City's most historic structures are in immediate danger. The pandemic has exacerbated the already significant challenges of

rehabilitating buildings such as the Carnegie Library and Princess Theatre. It had slowed the redevelopment of the historic Sivertson and Bayside warehouses until both were destroyed by fire in early January. Finally, many of Superior's most historic homes are in the stewardship of private owners that may struggle to adequately preserve them. Without direct, significant, and immediate intervention by the City, many more of these buildings will be lost.

All purchases and projects must receive Council approval before these funds are released.

SPD-Body Cams and Tazers--\$500,000

The Council authorized this expense in December with the intent to reimburse the funds with SLFRF.

SFD Radio Equipment, Medical and PPE Expense--\$350,000

The Council authorized the purchase of new radios December with the intent to reimburse the funds with SLFRF. The remainder of SLFRF funds will serve the fire department's medical response mission, relieving significant general fund and CIP expenditures. Following adoption of the SLFRF budget, no further council action is necessary to spend these funds.

SFD Rapid Response Vehicles-- \$82,000

Fire department vehicles that respond specifically to medical calls where a full rig is unnecessary. This replaces potential CIP expenses. Council action is not necessary for purchase but vehicle purchases are usually reviewed by committee.

Woodstock Bay--\$1,000,000

The revitalization of the Woodstock Bay landing includes shoreline stabilization, improved access (ADA), paths and overlooks, restroom, pavilion, improved storm water mitigation, treatment and filtration (green infrastructure) using increased plantings of both trees and native grasses. This project will also receive grant funds from Wisconsin Coastal Management in the amount \$150,000.

Non-Profit Grants \$1,250,000

The city has a long history of using federal grant money to support non-profits that support our most vulnerable citizens. This is especially vital in the wake of the pandemic, which not only increased the demand for services from many of these non-profits but threatened their financial stability. While any non-profit may apply for these funds, the fund will target organizations serving citizens experiencing poverty. Specifically, the administration hopes to dedicate several hundred thousand dollars to assist Harbor House in the construction of a new property that will provide emergency housing in a neighborhood close to several services. The remainder of the funds will seek similar projects or relieve the financial impacts of similar organizations. All projects and grant awards will require Council approval.

Homelessness--\$500,000

These funds will directly support the efforts of the Superior Police Department and partner agencies in their efforts to support individuals suffering homelessness. The Community Policing Officer and Community Response Specialist will have direct access to these funds with the supervision of the Chief of Police and deploy them as they see fit to either assist people experiencing homelessness in the search for safe and stable housing or to mitigate the effects of chronic homelessness for those that cannot immediately find shelter. The expenditure of these funds will not require further Council approval.

Parks Improvements--\$1,250,000

These funds will restore and increase funds removed from the Parks Department CIP budget in the fall of 2021. These funds will be used on normal parks projects through the next four years. The expenditure of the funds will follow the normal allocation process for parks improvements. The Parks and Recreation Commission will review and approve annual park project plans and the Council will authorize contracts and other expenditures as required by the City's bid procedures.

Stormwater/Wastewater Projects--\$600,000

These funds will help complete the Hammond Avenue Street reconstruction project by funding necessary storm water improvements. The funding will not require any further Council approval except as required during the overall construction process.

SPD Hybrid Squads--\$1,500,000

The 2022 CIP removed all funding for police squad replacements on the belief that SLFRF could replace the funding. In keeping with the spirit of the law and in an attempt to make the City more sustainable and the police department more effective, these funds will return the replacement of SPD squads to the usual schedule and complete the Take Home Squad program while converting the Superior Police fleet to hybrid vehicles.

Neighborhood Improvements--\$750,000

The 2022 CIP removed all funding for the neighborhood improvement program. This program has been used for building inspection abatement measures including demolition of dangerous structures and snow removal. Restoring the fund allows the city to continue this work while developing further programs for the restoration and improvement of neighborhoods and individual homes.

Tree Fund--\$100,000

In response to the invasion of the emerald ash borer, the City of Superior removed all of the ash trees from the urban forest. Since then, the city forestry department has been aggressively planting trees each year to replace those lost to the city wide removal. That work is now complete and the forestry department planned to reduce its plantings and merely maintain the existing forest. Trees provide significant flood prevention, public safety, and aesthetic benefits to the city. These funds will

therefore delay the return to “maintenance” and continue the aggressive planting schedule in order to expand the urban forest.

Mental Health Services--\$100,000

Superior has limited resources for mental health services and the few providers available are at risk of closure due to several pandemic related challenges. Loss of these services will risk severe crisis for hundreds of high risk patients and likely cost the City and County significantly more money as they confront emergency care. These funds will provide emergency stabilization grants to mental health care providers. They will use the City’s regular grant procedure and award of the funds will require Council approval.

Administrative/Government Services--\$100,000

Administration of the SLFRF requires significant staff time and contracted services. These funds will compensate the City for staff time spent preparing budgets, researching projects, assembling and submitting reports, and hiring outside contractors for professional analysis and advice. Funds will remain in the City’s SLFRF fund and the finance department will draw from them as necessary without further council action.

DRAFT - January 2022

City of Superior			
Coronavirus State and Local Fiscal Recovery Funds Budget - Grant Revenue - Fund 240			
Account Number/Name	2021 Actual	2022 Budget	TOTAL
240-0000-432.10-00/Federal Grants	8,541,030	8,541,030	17,082,059
Total Revenue	\$ 8,541,030	\$ 8,541,030	\$ 17,082,059

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City of Superior			
Coronavirus State and Local Fiscal Recovery Funds Budget - Preliminary Allocations - Fund 240			
Account Number/Name	2021 Proposed	2022 Proposed	Total
Connect Superior	2,000,000	3,000,000	5,000,000
Historic Rehabilitation		4,000,000	4,000,000
SPD - Body Cams	500,000		500,000
SFD Radio Equipment, Medical and PPE Expense	350,000		350,000
SFD Rapid Response Vehicles		82,000	82,000
Woodstock Bay	1,000,000		1,000,000
Non-Profit Grants	625,000	625,000	1,250,000
Homelessness	500,000		500,000
Parks Improvments	600,000	650,000	1,250,000
Stormwater/Wastewater Projects		600,000	600,000
SPD - Hybrid Squads	750,000	750,000	1,500,000
Neighborhood Improvements	200,000	550,000	750,000
Tree Fund	100,000		100,000
Mental Health Services		100,000	100,000
Administrative/ Government Services		100,059	100,059
Total Preliminary Allocations	\$ 6,625,000	\$ 10,457,059	\$ 17,082,059

\$ -

American Rescue Plan Act - Expenditure Category Review

City of Superior, WI



Proposed Expenditure	Estimated Cost	Description	Expenditure Category	Subcategory	Risk Assessment Level	Notes	
1	Connect Superior	\$9,000,000	Fiber optic infrastructure projects	Infrastructure	Broadband: Other projects	Low	Project expenses must be spent on deploying fiber infrastructure to serve unserved or underserved households and businesses. This does not mean every house and business must be considered unserved or underserved, but emphasis of the project should target areas of the community that are unserved or underserved even if that is just making ongoing service economical for unserved or underserved households and businesses. In addition, while middle mile projects are eligible, US Treasury has made it clear they would like to see ARPA funds spent on last-mile projects.
2	SPD - Body Cameras	\$500,000	Purchase of body cameras since 911 calls have increased since the pandemic hit and increased rates of domestic violence, mental health, and homelessness are the reality in the community.	Revenue Replacement	Provision of Government Services	Low	
3	SPD - Radio Equipment, Medical & PPE	\$350,000	The Fire Department has realized an increase in call volume, particularly related to medical calls. Since Superior does not have EMS services, the Fire Department responds to all medical calls. The department has had large increases in the cost of medical supplies as a result.	Public Health Revenue Replacement	Personal Protective Equipment Provision of Government Services	Low Low	
4	SFD - Rapid Response Vehicles	\$82,000	The Fire Department needs to purchase two new vehicles. This would allow them more options for fire fighters to get to the increase in medical calls as a Fire Truck is not usually necessary. These would be vehicles that the department could deploy when first aid services is the need of the caller.	Revenue Replacement	Provision of Government Services	Low	
5	Woodstock Bay	\$1,000,000	Park improvement project that includes access improvements to an undeveloped property along the St Louis River. The project includes shoreline stabilization, improved access (ADA), paths and overlooks, restroom, pavilion, (all to help support increased demand), improved storm water mitigation, treatment and filtration (green infrastructure). Increased plantings of both trees and native grasses as well as lighting for safety.	Revenue Replacement	Provision of Government Services	Low	

6	Non-Profit/Small Business Grants	\$1,250,000		Negative Economic Impact	Small Business Economic Assistance (General)	Low	<p>There are several options available to provide assistance to non-profits and/or small businesses. Under the Final Rule, Treasury classifies assistance to non-profits and/or small businesses as "Impacted" or "Disproportionately Impacted". Each classification has different allowable uses for assistance. Impacted non-profits and/or businesses may receive assistance based on a harm from the COVID-19 pandemic (ie. decreased revenue or gross receipts, financial insecurity, increased costs, challenges with payroll, rent, mortgage, or other operating costs). Whereas, Disproportionately Impacted non-profits and/or businesses may receive assistance for items unrelated to harm from the COVID-19 pandemic (ie. Rehabilitation of commercial properties, storefront improvements & façade improvements, technical assistance, business incubators & grants for start-up or expansion costs for small businesses, support for microbusinesses, including financial, childcare, and transportation costs). Programs could like like as follows: license fee reimbursements for dues owed to the City, future license fee reductions, grants to businesses who year-over-year revenue based on financials prior to the pandemic remains down, grants to businesses for facade improvements, grants to new businesses who fill a vacant storefront within the community, grants to non-profits who can demonstrate they were adversely affected by the pandemic (i.e.. revenue loss, increased program/service demand, etc.), or grants to non-profits who are providing a service to a disproportionately impact or vulnerable community. This could also include workforce initiatives to help businesses with labor attraction, retention and training shortages (i.e. career fairs, training, sign-on bonuses, and so forth)</p> <p>Note: a small business is defined as 500 employees or less, a non-profit is a 501(c)(3) or 501(c)(19), impacted non-profits and small businesses are those who have had verifiable harm related to the COVID-19 pandemic, and disproportionately impacted non-profits and small businesses are those generally located in a QCT.</p>
7	Homelessness	\$500,000		Services to Disproportionately Impacted Communities	Housing Support: Services for Unhoused Persons	Low	<p>There are several different ways to approach this proposed expenditure. For starters, you could create a program for "individuals at risk of homelessness" which is an individual or family below 30% of the area median income and has insufficient funds to pay for housing expenses. This could be a homeownership preservation grant to help at-risk homeowners with repairs to resolve housing code issues or with mortgage payments for homeowners at risk of foreclosure. The second way to approach this expenditure category is to target homelessness individuals. This could be partnering with a non-profit organization to bolster their resources to provide programs and services, or you could create a program that assists individuals experiencing homelessness find pathways to get a more permanent housing solution. Based on the amount of money allocated to this proposed expenditure, you may get the most out of it by partnering with a non-profit or another agency experienced on this topic.</p>
8	Parks Improvments	\$1,250,000	Various park improvments throughout the City	Revenue Replacement	Provision of Government Services	Low	
9	Stormwater/Wastewater Projects	\$600,000	Hammond Avenue Project	Infrastructure	Clean Water: Stormwater	Low	
10	SPD - Hybrid Squads	\$1,500,000	Purchase hybrid and/or electric vehicles for police officers to utilize	Revenue Replacement	Provision of Government Services	Low	
11	Neighborhood Improvements	\$750,000		Services to Disproportionately Impacted Communities	Social Determinants of Health: Other	Low	<p>Under the Final Rule, this proposed expenditure is required to be for "Disproportionately Impacted Households and Communities" defined as (1) low income households and communities with incomes at or below 185% of the Federal Poverty Guidelines or at or below 40% of the area median income, (2) qualified census tracts, and (3) households that qualify for certain federal benefits. These expenses could be, but not limited to, investments in neighborhoods to promote improved health outcomes (ie. parks, plazas, open spaces), improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing, and/or remediation of lead paint or other hazards.</p>
12	Tree Fund	\$100,000	Expenses would be related to tree planting, tree inventory of currently planted trees to properly maintain and care for trees and tree risk assessment. Additional planting and maintenance to care for green infrastructure would also be included but the focus would be on trees.	Revenue Replacement	Provision of Government Services	Low	

13	Mental Health Services	\$100,000		Public Health	Mental Health Services	Low	<p>There are several options available to provide mental health services or create a program. These funds could be sent to schools, hospitals, non-profits, or other government agencies to bolster the behavioral health services they currently offer or expand their services/programs. Enumerated eligible uses include but are not limited to prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support; services for pregnant women or infants born with neonatal abstinence syndrome; support for equitable access to reduce disparities in access to high-quality treatment; peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services; or expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery.</p>
14	Unallocated	\$100,059					