



FY22 1st Budget Amendment and American Rescue Plan Act Funds

Presented by:

Acting City Manager Jessica Clarke

July 14, 2021

Fiscal Year 2022 – First Budget Amendment

| Funding Source | <i>Budget Amendment Type</i> | |
|--------------------------------|------------------------------|---------------------------|
| | FY21 Carryover | FY22 Expenditure Increase |
| General Fund | \$ 986,842 | \$ 270,000 |
| Stormwater | \$ 395,000 | \$ - |
| Special Revenue - Cable Grants | \$ 30,000 | \$ - |
| Special Revenue - ARPA | \$ - | \$ 565,000 |
| Total | \$ 1,411,842 | \$ 835,000 |



Fiscal Year 2021 Carryovers

- Fiscal Year 2021 balances that were not spent by the end of the fiscal year and need to be carried over into Fiscal Year 2022, generally due to project delays or invoicing delays

| Carryovers by Department | Budget Amount |
|--|----------------------|
| General Fund Carryover Total | \$ 986,842 |
| <i>Communications</i> | \$ 5,000 |
| <i>General Government</i> | \$ 73,800 |
| <i>Housing and Community Development</i> | \$ 267,300 |
| <i>Police</i> | \$ 64,500 |
| <i>Public Works</i> | \$ 576,242 |
| Stormwater Fund Carryover Total | \$ 395,000 |
| <i>Public Works</i> | \$ 395,000 |
| Cable Grant Carryover Total | \$ 30,000 |
| <i>Communications</i> | \$ 30,000 |
| Grand Total | \$ 1,411,842 |



Fiscal 2021 Carryovers by Department

PUBLIC WORKS GENERAL FUND

- \$300,000 for ADA Sidewalks
- \$192,000 for Sustainability Projects
- \$30,000 for leaf vacuum price increase, \$31K for pick-up truck invoicing delay

PUBLIC WORKS STORMWATER FUND

- \$295,000 for planned stormwater projects that were delayed
- \$100,000 for labor and parts for delayed stormwater projects

HOUSING AND COMMUNITY DEVELOPMENT GENERAL FUND

- \$60,000 for bus shelters improvement
- \$50,000 for unfinished bike improvement projects
- \$40,000 for public land management projects
- \$48,000 for streetscape improvements
- \$69,300 for delayed art projects and events, communications materials, community outreach, training and conferences



Fiscal 2021 Carryovers by Department Cont.

GENERAL GOVERNMENT GENERAL FUND

- \$31,900 for Human Resources recruitment and contracts
- \$27,900 for conferences and training opportunities, all divisions
- \$10,000 for Finance investment consultation delay
- \$4,000 for Boards, Commissions, and Committees recruitment

POLICE DEPARTMENT GENERAL FUND

- \$37,700 for invoicing delay for police promotional process already completed
- ~~\$26,800 for license plate readers delayed purchase for replacing outdated units and system upgrades~~

COMMUNICATIONS GENERAL FUND/CABLE GRANTS

- \$30,000 for server upgrades, wireless video upgrade, system upgrade (Cable)
- \$5,000 for website tech support



New Budget Items - General Fund

| General Fund Expenditure Increase | Budget Amount |
|-----------------------------------|---------------|
| General Government | \$ 240,000 |
| Police | \$ 30,000 |
| Grand Total | \$ 270,000 |

➤ Enterprise Resource Planning – Human Resources Systems Upgrade & Consolidation

- \$125,000 for ERP upgrade and migration
- \$40,000 for HR intern upgrade

➤ City Clerk Elections Planning

- \$75,000 for the completion of redistricting prior to the next City election

➤ Police Dispatcher Talent Retention

- \$30,000 for position upgrades to reduce staff turnover



New Budget Items – American Rescue Plan Act Special Reserve

| Adopted Fiscal Year 2022 - ARPA Expenditures | Budget Amount |
|--|---------------------|
| Revenue Loss Reimbursement | \$ 1,191,900 |
| Façade Improvement Grant | \$ 8,000 |
| Document Management Platform | \$ 100,000 |
| Total | \$ 1,299,900 |

| ARPA Expenditure Increase - July Amendment | Budget Amount |
|--|-------------------|
| Finance | \$ 75,000 |
| General Government | \$ 220,000 |
| Housing and Community Development | \$ 150,000 |
| Information Technology | \$ 120,000 |
| Grand Total | \$ 565,000 |

Combined \$1,864,900 out of a total \$17,400,000 to be obligated by December 2024



Major ARPA Eligible Uses

- **Public Health and Economic Impacts**
 - Expanded list of uses similar to those paid for from City's COVID-19 Fund, including direct help to residents and businesses
- **Premium Pay**
 - Similar to hazard pay paid to City employees at beginning of the pandemic
- **Revenue Loss**
 - Compensates City for revenue we would have normally received; included in the FY22 budget
- **Investments in Infrastructure**
 - A category the City has not had available through COVID-19 funding to date



ARPA Timeline

- **April - Inclusion of some ARPA funds in the Adopted FY22 Budget (limited guidance)**
- **May - Interim Final Rule on Eligible Uses Released by U.S. Treasury**
 - **Ensure all steps in place to receive the funds**
- **June & July – Eligibility Analysis & Amendment Prioritization**
 - **Attend NLC/GFOA webinars**
 - **Create potential project lists by Department**
 - **Data visualization for eligibility justification**
 - **Identify most immediate organizational needs for first budget amendment**
- **August**
 - **Hire for critically needed positions**
 - **Receive state reporting requirements**
 - **Finalize staff recommendations**
 - **Evaluate other federal funding sources**
- **September**
 - **Spending plan development with new City Manager and outreach to stakeholders**
 - **Second budget amendment**



Preparing for ARPA - Building Internal Capacity

Eligible Uses Related to ARPA Administration

- Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources.
- *Administrators.* Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.
- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.
- Costs for consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements, are also covered.



ARPA Expenditures – First Budget Amendment

ARPA Allocation for ARPA Coordinator (Limited Term) - \$120,000

- The ARPA Coordinator will function as a grants coordinator or portfolio manager.
- The ARPA coordinator will assist City Council and the City Administration in mapping out funding priorities based on assessments of need. \$100,000 is also included in this budget amendment for community engagement around eligible uses of ARPA funds.
- The ARPA Coordinator will participate in work sessions with senior leadership, Council, and other stakeholders to review and approve eligible projects.
- This role can ensure cross-departmental communication and collaboration with local and regional partners around ARPA-funded initiatives.
- A key part of this job description will be expenditure tracking, compliance monitoring, federally required reporting, and periodic updates on progress towards spending goals and community development outcomes for full transparency into ARPA spending.



ARPA Expenditures Cont.

ARPA Payroll and Accounting Specialist (Limited Term) - \$75,000

- ARPA administration will create a higher volume of financial transactions and financial reporting that will stretch Finance Department capacity.
- Prior to COVID-19, Finance had a part-time position budgeted to assist with payroll and accounts payable and answer the phones and in-person payment window.
- We would like to restore that part-time position to fulfill those duties, but also make it full time to assist the ARPA coordinator in ARPA documentation and reporting

ARPA Emergency Rental Assistance - First Quarter - \$150,000

- With the extension of the state's moratorium on evictions, our Housing Division has estimated that \$150,000 will be needed for back rent, utilities, and moving expenses assistance through September.



ARPA Expenditures Cont.

ARPA Allocation for Software Developer (Limited Term) - \$120,000

- This role will design software programs, successfully build City platforms, and manage applications so that they integrate with our current programs.
- This position will help implement the \$100K document management platform already budgeted under General Fund to facilitate ARPA tracking and reporting as well as assist with the website upgrade.
- The software developer will meet with Department heads to determine their software needs, code and test software to create or update software applications, ensure functionality, work with City management to identify requirements and specifications for major projects.
- A key area of need is developing better customer relationship management (CRM) software to phase out GovQA/My TkPk and manage constituent requests in a central database.
- The Housing and Community Development Department, Police Department, and Public Works Department in particular will benefit from software development assistance.

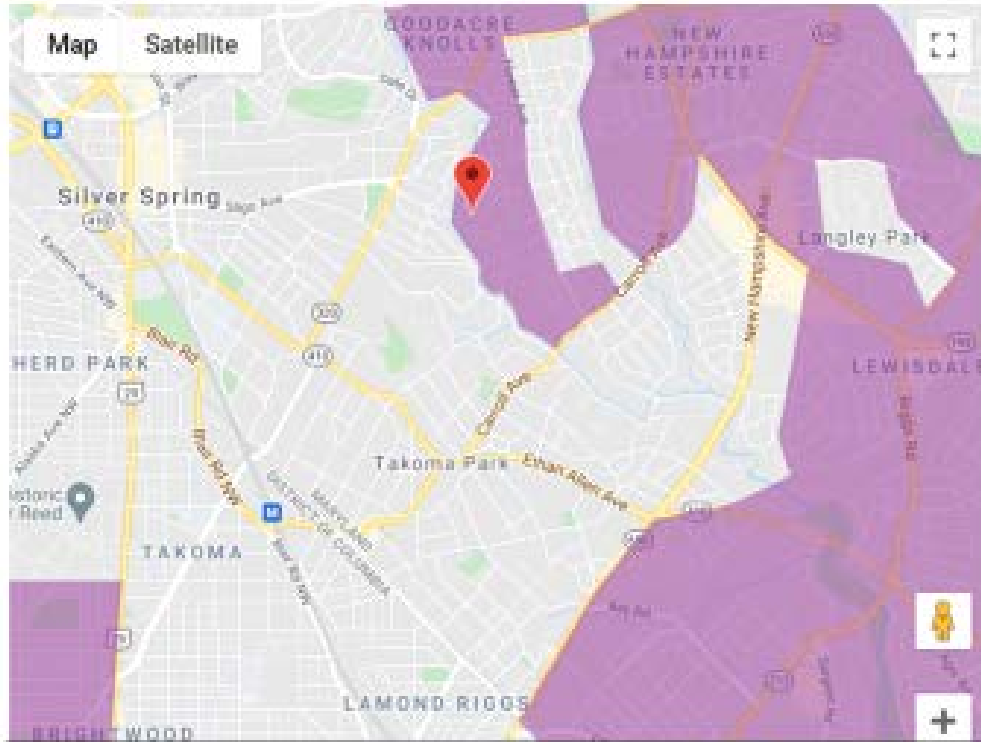


Big Picture

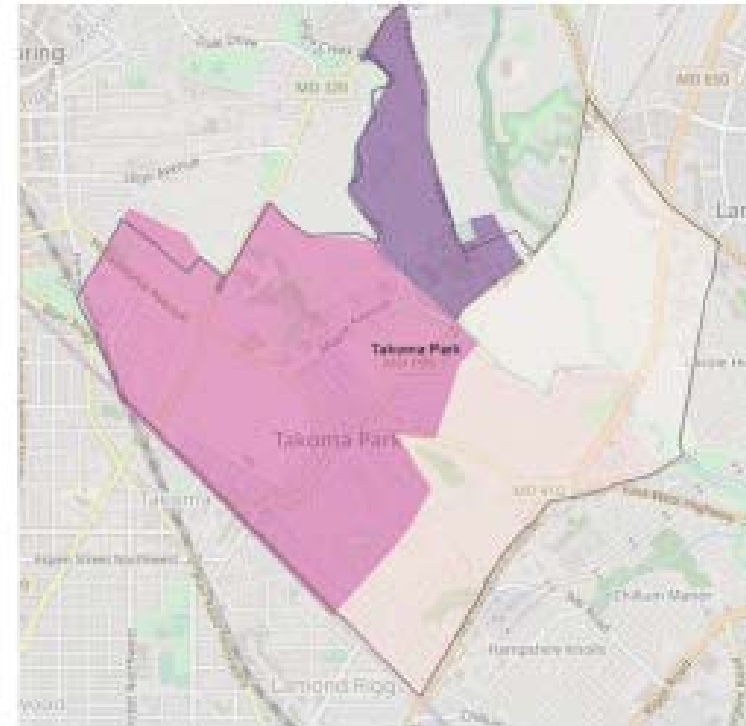


- These funds are one-time funds, so should be targeted to one-time expenditures. The most cost-effective uses of the funds are to take steps that lead to long term or systemic improvements for residents, businesses and the City government.
- Our goal over the next few months is to create a spending plan that helps households, small businesses, and nonprofits respond to the public health emergency and its negative economic impacts while making strategic investments in the City's workforce, **public** infrastructure, and fiscal health

Determining Eligibility



- Qualified Census Tract 7017.02 which covers most of Ward 5 and 7020 which is mostly outside the City but overlaps with the corner of Ward 6
- Social Vulnerability Index Map



- Pre-existing disparities exacerbated by COVID-19
- Pre-existing inequalities that drive disparate outcomes
- Addressing social determinants of health

