



City of Smithville, Missouri

Board of Aldermen - Work Session Agenda

June 1, 2021

6:30 p.m. – City Hall * * * Via Videoconference * * *

NOTICE: *Due to the Health Officer's orders for safety, public meetings and public comment during public meetings will require modification. The City of Smithville is committed to transparent public meetings and will continue this commitment during the COVID-19 crisis. Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the city's FaceBook page through FaceBook Live. Attendance in person by members of the public will not be permitted.

- 1. Call to Order**
- 2. Discussion of American Recovery Act Fund and CARES Funds Use**
- 3. Adjourn**



Date: May 26, 2021

Prepared By: Cynthia Wagner, City Administrator

Subject: CARES and American Rescue Plan Act Funds

At Tuesday's Work Session, staff will provide an update on intergovernmental funding received in 2020 and anticipated in 2021 and seek general direction from the Board regarding utilization of those funds.

CARES Funds

The City of Smithville received \$945,400 in CARES funding in 2020. The bulk of those funds were spent on direct expenses related to COVID19, including:

- Reimbursement of general fund expenditures related to mitigation of the spread of COVID19 (purchase of PPE, cleaning supplies, equipment to facilitate remote work, etc).
- Funding for two rounds of small business grants to assist small businesses with the costs of business interruption caused by required closures administered through the Clay County Economic Development Commission.
- Purchase and installation of touchless restroom and kitchen fixtures for all city facilities, including parks restrooms.
- Installation of equipment at Heritage Park to facilitate live streaming of video from ballfields.
- Upgrades to the Board of Aldermen Meeting Room at City Hall to improve audio and video quality for remote access.
- Funding for rental/utility assistance grants for Smithville residents, administered through the Northland Assistance Center.
- Allocations to the Smithville School District for the purchase of equipment and supplies relating to mitigation of the spread of COVID in schools.
- Allocations to the Northland Regional Ambulance District and Smithville Area Fire Protection District to purchase foggers to clean equipment and facilities.
- An allocation to Water District #9 to assist with purchase of PPE.

In addition to these uses, approximately \$280,000 in expenditures relating to public safety employee expenses were identified and submitted to Clay County for CARES utilization. At the time, the Board did not commit to reimbursing the General Fund for these expenses and directed staff to leave these monies in the CARES Fund established to segregate CARES from other city funds.

In the first months of 2021, some expenditures related to repair of the touchless sinks have been utilized and just under \$251,000 remains in the CARES Fund.

At this time, staff requests Board direction to move the remaining monies from the CARES Fund to the General Fund, increasing the fund balance by approximately \$251,000.

If Board concurs and directs staff to move the remaining funds to the General Fund, additional fund balance reserves are available for general city projects/expenditure.

In review of the FY2021 Budget and planning for development of the FY2022 Budget, staff would recommend use of the \$250,000 as follows.

- *Allocate \$75,000 to complete phases two and three of the electrical upgrade project at Smith's Fork at the completion of the 2021 camping season.*

Phase one of this project was completed at the end of the 2020 camping season and provided the opportunity to increase revenues at the campground. The budget has anticipated phasing over three years, but by doing two phases at once, some savings can be realized and the project could be completed a year earlier, creating more opportunity for revenue generation.

- *Allocate \$75,000 to initiate a police facility needs assessment study to include schematic design this summer.*

A space needs assessment has been identified in the CIP as an unfunded need at this point. Completing a study to include schematic design would provide cost estimates assist in future planning for a potential new police station.

- *Allocate \$75,000 to the Main Street program.*

Staff recommends working with the Main Street program to develop a plan for staffing and ongoing operations of the Main Street program. It is anticipated that seed money could jump start that process and an agreement could be developed for a phase out of city funding over the course of seven to ten years.

This recommended allocation would leave \$25,000 in General Fund balance for future one-time expenditure needs.

American Rescue Plan Act

The American Rescue Plan Act (ARPA) was adopted on March 22, 2021 providing funds for communities across the nation. Based on prior information, it is estimated that the

City of Smithville would receive around \$1,988,000. Funding would be distributed in two phases – the first a few months after passage of the act and the second a year thereafter. All funds must be obligated by December 31, 2024, with work completed by December 31, 2026.

The act outlines four general areas for which funds may be used:

- to respond to the public health emergency created by COVID19 or its negative economic impacts;
- to provide premium pay to eligible workers;
- to provide governmental services; and
- to assist in meeting critical needs for investments and improvements to existing infrastructure in water, sewer and broadband.

The restrictions relating to each of the funds have been outlined by the Department of Treasury. Legal staff Scott Sullivan and John Reddoch have reviewed the allowable uses and provided a summary for the mayor and staff to review. In summary of the information, the category with the fewest restrictions and broadest allowable use is the final item listed above, investments and improvements to existing infrastructure. Infrastructure here is specifically defined and limited to water, sewer and broadband. Transportation and other infrastructure is NOT included. Further read of the uses indicates that funds MAY be used for projects already included in a municipality's budget.

Based on this initial review, staff is recommending that the entirety of the nearly \$2 million in funding be allocated to water and sewer infrastructure projects. At this time, staff is working with HDR to finalize a bid packet for the raw water pump station near Smith's Fork Campground. This project, which includes the copper ion project (mitigating zebra mussels) at the spillway and campground lift station, is anticipated to be bid in June and have a total project estimate of \$2.3 million. Use of water impact fees totaling \$1 million was anticipated for this project. Use of the ARPA funds for this project would allow greater flexibility in the Combined Water and Wastewater System Fund as well as impact fees for the coming year.

Action Requested/Recommended

Staff is seeking Board direction on these recommendations to assist in development of the FY2022 Budget. Direction received at this time will be used in bringing necessary FY2021 Budget Amendments forward (to initiate projects in FY2021) and in development of the FY2022 Budget.