

JOURNAL OF CITY COMMISSION WORK SESSION
May 18, 2021

City Commission Work Session
Civic Center Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Tracy Houck, Mary Sheehy Moe, Rick Tryon, and Owen Robinson.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney Sara Sexe; Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Myre; Planning and Community Development Director Craig Raymond; Park and Recreation Director Steve Herring; Library Director Susie McIntyre; Police Chief Jeff Newton; Fire Chief Jeremy Jones; and, City Clerk Lisa Kunz.

Public participation is welcome as follows:

- Attend in person. Please refrain from attending in person if you are not feeling well.
- Provide public comments via email. Comments may be sent via email before 12:00 PM the day of the meeting to: commission@greatfallsmt.net. Include the agenda item or agenda item number in the subject line, and include the name and address of the commenter. Written communication received by that time will be shared with the City Commission and appropriate City staff for consideration; and, will be so noted in the official record of the meeting.
- The agenda packet material is available on the City's website: <https://greatfallsmt.net/meetings>.
- The public may view and listen to the meeting on cable channel 190, or online at <https://greatfallsmt.net/livestream>.

A/V Technical issues prevented an audio recording of this meeting.

PUBLIC COMMENT

Shyla Patera, 1013 7th Avenue NW, with regard to Agenda Item 2, urged consideration of a wide variety of accessibility measures throughout the community, including accessible emergency services vehicles.

Kevin Westie, 602 35th Street North, commented that he didn't like hearing the term "defeatism" as it relates to the creation of the Crime Task Force.

1. NEIGHBORHOOD COUNCIL UPDATES – NEIGHBORHOOD COUNCIL # 9

Scott Miranti, Neighborhood Council 9 Official Delegate, provided updates on the following:

- Portion of Kranz Park land swap with Great Falls High School
- Traffic study for Aquatics/Recreation Center at Lions Park indicated it does not appear peak hours will present traffic issues. The neighborhood is mostly excited about the Center and thinks it would be a great asset for that area of the City.

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In order to mitigate concerns, Commissioner Tryon encouraged Mr. Miranti to continue to report the Council's concerns to the Commission.

Commissioner Houck expressed appreciation to Council 9 for its work on these projects. With regard to transparency, she noted that representatives from Great Falls Public Schools and the Construction company attended meetings to update the council and neighborhood.

Commissioner Moe commented that NC 9 was instrumental in the Kranz Park project, and with the Aquatics/Recreation Center project. She is pleased with NC 9's efforts and thanked Mr. Miranti for serving.

2. CARES ACT AND AMERICA RESCUE PLAN FUNDING

Finance Director Melissa Kinzler, Deputy Finance Director Kirsten Myre and City Manager Greg Doyon reviewed and discussed the attached PowerPoint presentation which included:

- Sources of available funding for COVID response and recovery
 - CARES Act – Reimbursement of expenses already received by the City
 - American Rescue Plan Overview
- Opportunity for use of funds
- Suggested guiding principles for use of funds
 - Consider all other funding sources before using City's direct ARPA allocation
 - Leverage community partners with existing programs to execute new programs
 - Process will be public and transparent
 - ARPA projects must be obligated by December 31, 2024 and funds expended by December 31, 2026
- CARES Act
 - \$10,140,536 available amount unrestricted in General Fund
 - \$939,029 available amount unrestricted in Dispatch Fund
- Use of CARES Act funds
- American Rescue Plan
 - 50% applied for 5/2021 = \$9,736,369
 - 50% 5/2022 = \$9,736,369
 - Official interim guidance released by Treasury on May 10, 2021. Guidance is still evolving
 - For applicable costs incurred after March 3, 2021
 - Funds must be obligated by December 31, 2024, and expended by December 31, 2026
- Use of American Rescue Plan funds
 - Four eligible uses identified in ARPA
 - To respond to the public health emergency and its negative economic impacts
 - To provide premium pay to essential workers
 - To provide government services to the extent of government's revenue losses
 - To make necessary water, sewer, and broadband infrastructure investments

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- Responding to the public health emergency and its negative economic impacts
Definition of a negative economic impact: an economic harm resulting from or exacerbated by the public health emergency
- To provide premium pay to essential workers
Definition of essential work: not performed while working from home and involves regular in-person interactions with patients, the public, coworkers, or regular handling of items handled by patients, the public, or coworkers
- To provide government services to the extent of government's revenue losses
Total City-wide general revenue, not on a fund-by-fund basis
Utility revenue not included
According to formula in the guidance, the City did not have any revenue loss through December 31, 2020
- To make necessary water, sewer, and broadband infrastructure improvements
- Explicitly ineligible uses of ARPA funds
- House Bill 632 summary
- House Bill 632 applicability to Local Governments
- CDBG-CV and HOME-ARP Grants – increased allocations for coronavirus response

Manager Doyon noted that departments have submitted requests for use of funds. Staff is continuing to review and prioritize requests while also reviewing restrictions. They are still waiting on guidance for some of the money received, so it is going to take time and thoughtful assessment for the best use of the funds.

Mayor Kelly requested quarterly budget reports be provided to the Commission.

Commission discussion continued about Manager Doyon being in the best position to coordinate with community partners for the best use of funds for all of the community, and to communicate the rules and proper use of the funds to the community.

City Manager Doyon commented that the City will hire a grants manager to oversee the use of COVID relief funds. He noted that there is a callback provision in the ARPA rules stating that anything spent inappropriately could be taken back.

The City has been inundated with requests for broadband projects. Manager Doyon noted that addressing rights-of-way is a complex situation. The City Attorney has advised that the City Codes need to be adequate to handle the requests. Library Director Susie McIntyre added that Library staff is in discussions with the State Library with regard to how to best utilize funds through recent state legislation for broadband projects, and also with the YWCA with regard to a possible broadband assessment.

Commissioner Moe expressed concerns about the restrictive language for use of the funds.

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With regard to community needs, Commissioner Robinson suggested the City start looking at building a new landfill, and to demolish the Natatorium building. Commissioner Moe would like to see funds utilized to address ADA issues in the Mansfield Theater, as well as energy improvements for City-owned facilities.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Attorney Sara Sexe introduced Deputy City Attorney Jeff Hindoien.

City Manager Greg Doyon reported that the June 1st work session will consist of an Engineering Department fee discussion. EMD Tiered 911 Response, Fire Department Code Enforcement and Fee Restructuring will be topics for the June 15th work session.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of May 18, 2021 at 6:51 p.m.

CARES ACT AND AMERICAN RESCUE PLAN FUNDING



May 18, 2021

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Sources of Available Funding for COVID Response and Recovery



- **CARES Act** – Reimbursement of expenses already received by City
- **American Rescue Plan Overview**
 - State and Local Fiscal Recovery Funds - \$362 Billion
 - City will receive direct payment of \$19.47 million
 - Available funding to the City from the State's ARPA allocations in **House Bill 632**
 - Direct Financial Assistance – \$656.18 Billion
 - Assistance to Individuals & Families - \$56.27 Billion
 - Education & Childcare - \$211.57 Billion
 - Health - \$86.24 Billion
 - Transportation - \$40.16 Billion
 - Other Programs - \$61.32 Billion

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Opportunity for Use of Funds



- Address unexpected expenditures due to COVID and lingering economic consequences to the City and community
- Address revenue losses to City departments
- Recognize impact on community
- Position City to better respond to future emergency management needs
- As appropriate, leverage funding to address broad community goals
- Address urgent capital needs now or needs on the horizon
- Leverage partnerships with other organizations that share Commission's broad community goals

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Suggested Guiding Principles for Use of Funds



- Funds are non-recurring so use should be applied primarily to non-recurring expenditures
- Pay direct expenses related to COVID response
- Funding use recognizes the impact to residents, families, and businesses
- Helps meet future requirements
- Special or unique opportunities
- Meets Commission priorities
- Prepares for future pandemic response and public safety

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Suggested Guiding Principles for Use of Funds (continued)

- Consider all other funding sources before using City's direct ARPA allocation
- Leverage community partners with existing programs to execute new programs – technical assistance
- Process will be public and transparent
- ARPA Projects must be obligated by December 31, 2024 and funds expended by December 31, 2026

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CARES Act

- Pass through from the State for reimbursement of COVID related expenses
- Majority reimbursed for personnel expenses for Police, Fire, and Dispatch
- Per City's auditor, once the condition of eligibility is met, the funds received are considered unrestricted and can be used for any purpose

\$ 10,308,322	Total Received in General Fund
\$ (167,786)	Direct reimbursement for COVID related expenses
\$ 10,140,536	Available amount unrestricted in General Fund
\$ 936,029	Available amount unrestricted in Dispatch Fund

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Use of CARES Act Funds

- CARES Act and American Rescue Plan funds have different eligible uses because CARES Act funds are unrestricted
 - Use of funds will be strategically pulled from each source accordingly
- City staff continues to review and prioritize possible uses of unrestricted CARES Act funds and will update Commission at a later date
 - City departments have submitted their requests
 - Unfunded amount in most recent CIP is approximately \$19 million

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American Rescue Plan

- Direct allocation from Department of the Treasury
- Final allocation amount is \$19,472,737
- 50% received 5/2021 = \$9,736,369 – applied for, have not received
- 50% received 5/2022 = \$9,736,369
- Official guidance released by Treasury on 5/10/2021
 - Called the *Interim* Final Rule, guidance is still evolving
- For applicable costs incurred after March 3, 2021
- Obligated by December 31, 2024
- Expended by December 31, 2026

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Use of American Rescue Plan Funds

- Four eligible uses identified in ARPA
 1. To respond to the public health emergency and its negative economic impacts
 2. To provide premium pay to essential workers
 3. To provide government services to the extent of government's revenue losses
 4. To make necessary water, sewer, and broadband infrastructure investments

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1. Responding to the public health emergency and its negative economic impacts

- Eligible uses include, but not limited to:
 - COVID response and prevention
 - Public health and safety staff to the extent time is spent mitigating or responding to the health emergency
 - Hiring government staff to the level employed on January 27, 2020
 - Assistance to unemployed workers, small businesses, non-profits, households, and impacted industries
 - Building stronger communities through investments in housing and neighborhoods
 - Expenses to improve the design and execution of public health programs
 - Emphasis placed on mental health, substance abuse, behavioral issues, crime intervention practices

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1. (continued) Responding to the public health emergency and its negative economic impacts

- Definition of a negative economic impact: **an economic harm resulting from or exacerbated by the public health emergency**
- Framework for assessing eligibility from National League of Cities (NLC):
 1. Identify the harmful effect from COVID
 2. Assess the causal or compounding connection to COVID
 3. Assess for a disproportionate impact
 4. Determine how to prove the outcome was achieved
- Encouraged to focus on low income and those disproportionately impacted by COVID

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2. To provide premium pay to essential workers

- Definition of essential work: **not performed while working from home and involves regular in-person interactions with patients, the public, or coworkers or regular handling of items handled by patients, the public, or coworkers**
- Including, but not limited to:
 - Nursing homes, hospitals, home-care, food production, grocery stores, restaurants, sanitation, truck drivers, childcare, educators, social services
- Encouraged to prioritize lower income workers

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3. To provide government services to the extent of government's revenue losses

- Total city-wide general revenue
 - Not on a fund-by-fund basis
 - Utility revenue not included
- According to formula in the guidance, the City did not have any revenue loss through December 31, 2020
 - Revenue loss can be recalculated annually until December 31, 2023
 - NLC is advocating for utility revenue to be included
- Revenue replacement becomes available for general infrastructure including roads, cybersecurity, health services, education, public safety, environmental remediation, etc.
- Cannot be used to pay off debt



4. To make necessary water, sewer, and broadband infrastructure improvements

- Water and sewer projects align with EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund
 - Storm water is included
 - Same projects would be eligible under HB 632
- Broadband infrastructure to supply to underserved areas and low income with symmetrical 100 Mbps download and upload



Explicitly Ineligible Uses of ARPA Funds

- States may not use ARPA funding to offset a reduction in net tax revenue
 - Law does not explicitly grant eligibility to local governments
- No recipient may make a deposit to a pension fund
- Cannot be used to payoff debt
- Cannot be used to pay legal settlements
- Cannot be used as federal match dollars for other grants



House Bill 632 Summary

- Administered by multiple state agencies
- Economic transformation and stabilization and workforce - \$150 million
- Housing programs - \$214 million
- Small business credit initiative - \$65 million
- Department of Public Health and Human Services - \$366 million
- Office of Public Instruction - \$391 million
- Nonpublic schools - \$12.1 million
- State Library and Montana Art Council - \$2.3 million



House Bill 632 – Applicability to Local Governments

- State and local water and sewer infrastructure grants
 - Department of Natural Resources & Conservation
 - \$462 million total
 - Competitive grant program applications due July 15, 2021
 - Pending additional guidance, \$150 million available directly for minimum allocation grants to local governments using same proportion as State gas tax formula
 - Requires 1:1 matching funds by local government
 - Deadlines and process not yet noted

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House Bill 632 – Applicability to Local Governments

- Communication projects
 - Department of Commerce
 - \$275 million total
 - Defined as - "Broadband infrastructure, including cell towers, or public safety, if eligible"
 - Pending additional guidance for applicability to local governments
 - Preference given to projects that provide broadband access to "frontier, unserved, and underserved areas"
 - Must provide matching funds
 - Deadlines and process not yet noted

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CDBG and HOME Grants

- Increased allocations for coronavirus response
- CDBG-CV Round 1 - \$475,515 – allocation already received
- CDBG-CV Round 3 - \$236,375 – requires an amendment this summer to Annual Action Plan
- HOME-ARP - \$1,026,477 – no guidance released yet, requires an amendment this fall to Annual Action Plan
 - Able to spend funds through September 2030

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Next Steps

- Commission discussion on initial guidance
- Follow-up meeting

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