CITY OF DELAND
WORKSHOP OF THE CITY COMMISSION
APRIL 18, 2022 AT 6:00 PM
CITY HALL, COMMISSION CHAMBERS
120 SOUTH FLORIDA AVENUE

AGENDA

CALL TO ORDER

ROLL CALL

NEW BUSINESS

1. Discussion re Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan or ARPA).

   Staff's recommendation is for the City Commission to approve the standard allowance election for revenue loss, approve spending the funds on public safety salaries and benefits, and allocate the remaining economic benefit created by the ARPA funds to specific priorities or purposes.

CITY COMMISSION

ADJOURNMENT

The DeLand City Commission holds its regular meetings on the first and third Mondays of each month at 7:00 p.m. in the DeLand City Commission Chambers, 120 South Florida Avenue, DeLand. Notice of special meetings, workshops, changes in dates, times or locations are provided by separate Public Notices, which are posted at City Hall and on the City's web site.

The City of DeLand may take action on any matter during this meeting, including items that are not set forth within this agenda.

Public participation is encouraged on any matter on the agenda. If you desire to be recognized by the Mayor, please fill out a Speaker's Card and present it to the City Clerk.

Minutes of the DeLand City Commission meetings are not transcribed verbatim. If any person decides to appeal a decision made by the City Commission with respect to any matter considered at a public meeting or hearing, he/she will need a record of the proceedings including all testimony and evidence upon which the appeal is to be based. To that end, such person will want to ensure that a verbatim record of the proceedings is made by a court reporter, at the person's own expense.

In accordance with the American Disabilities Act, persons needing a special accommodation in order to participate in the proceedings should notify the City Clerk's Office at least 48 hours in advance of the meeting: 626-7132.

Assisted Listening System receivers are available for the hearing impaired, and can be obtained from the City Clerk.

If you wish to obtain information regarding the City Commission's Agenda, please call the City Clerk's Office: 626-7132.

We respectfully request that all pagers and cell phones be turned OFF during City Commission meetings.

Electronic Information! City Commission agendas and short form minutes are now available on the City's web page: www.deland.org.

CITY OF DELAND
Request for Commission Action
April 18, 2022

SUBJECT:	Discussion re Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan or ARPA).
DEPARTMENT:	Finance
PREPARED BY:	Daniel Stauffer, Finance Director
ATTACHMENTS:	Allocation Ideas
APPROVED BY:	Michael Pleus, City Manager, April 14, 2022

SUMMARY/HIGHLIGHT:

The City of DeLand is to collect $5,883,695 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) through the American Rescue Plan Act (ARPA). Based on the final rule published by the US Treasury, with the election of the standard allowance, the City is eligible to claim all $5,883,695 as revenue loss, which in turn can be used for government services. Staff recommends using the ARPA funds on public safety salaries and benefits. By doing so, it creates the economic benefit of freeing funds previously spent on public safety salaries and benefits to be spent on other priorities.

As part of the FY 21/22 Budget, the City has already budgeted to use $50,000 for the Homeless Shelter, $100,000 for Business Improvement Grants and $96,800 for Virtual Desktop Infrastructure (VDI) licenses. This leaves $5,636,895 economic benefit available.

The attached spreadsheet details a possible spending scenario for discussion purposes. The spreadsheet has four columns for funding sources: ARPA, Loan, Parks and Recreation Impact fees and Capital Reserves. Projects listed include the Garfield Avenue Trail, Lake Moore Matching Funds, Entry Features and the Bridge for operating costs (over and above what we were able to raise money for). Projects listed also include those currently over budget, such as the Airport Access Road, Conrad Park and Voorhis Avenue Streetscape. Lastly, projects listed include the development of the 13 Acre Park site the City owns north of Victoria Trails with practice fields, restrooms, concessions and parking and additional funds to accelerate the City's road resurfacing program to catch up.

STRATEGIC PLAN FOCUS AREA/ACTION STEP:

High Value Government.

SUSTAINABILITY:

N/A

FISCAL IMPACT:

The fiscal impact is to be determined based on the discussion of the City Commission.

RECOMMENDATION:

Staff's recommendation is for the City Commission to approve the standard allowance election for revenue loss, approve spending the funds on public safety salaries and benefits, and allocate the remaining economic benefit created by the ARPA funds to specific priorities or purposes.

BACKGROUND/DISCUSSION:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law creating the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The SLFRF program provides $350 billion to state, local and tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

The funding objectives of the program were to: 1) Support urgent COVID-19 response efforts to continue to decrease the spread of the virus and bring the pandemic under control; 2) Replace lost public sector revenue to strengthen support for vital public services and help retain jobs; 3) Support immediate economic stabilization for households and businesses; and 4) Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic.

The City of DeLand was allocated $5,883,695 of the $350 billion. The amount is to be paid in two tranches, with the second tranche being paid twelve months after the first payment. The City received its first payment on May 20, 2021 in the amount of $2,941,847.50.

In May 2021, the US Treasury published the Interim Final Rule (IFR) describing eligible and ineligible uses of the funds. Eligible uses were broken down into four categories: Public Health and Economic Impacts, Premium Pay, Revenue Loss and Investments in Infrastructure. More specifically, eligible uses included:

- Supporting Public Health Response – Funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare and certain public health and safety staff.
- Addressing Negative Economic Impacts – Responding to economic harms to workers, families, small businesses, impacted industries and the public sector.
- Premium Pay for Essential Workers – Offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors.
- Replace Public Sector Revenue Loss – Using funds to provide government service to the extent of the reduction in revenue experienced due to the pandemic.
- Water and Sewer Infrastructure – Making necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure.
- Broadband Infrastructure – Making necessary investments to provide unserved or underserved locations with new or expanded broadband access.

Under the Interim Final Rule, revenue loss was calculated by a very complex formula. Based on that calculated formula, the City's revenue loss for the calendar year 2020 was $2,402,929.

On January 6, 2022, after seeking feedback from the public on the program rules, the US Treasury issued the Final Rule regarding spending guidelines. The Final Rule will replace the existing Interim Final Rule on April 1, 2022. The Final Rule broadens the eligible uses and provides state and local governments more flexibility in administering the funds. (See attached Statement from the U.S Department of the Treasury for a list of some of the more significant uses.)

The main update of note to the City is in regard to revenue loss. As detailed in the Statement:

Government Services to the Extent of Revenue Loss. The interim final rule and final rule both permit recipients to use SLFRF funds for government services in an amount equal to revenue lost due to the pandemic. As discussed in the final rule, Treasury is permitting recipients to determine the amount of revenue lost due to the pandemic either according to a formula or by claiming a standard allowance of up to $10 million, not to exceed their total award allocation. A recipient that plans to use the standard allowance will make a one-time election and report it to Treasury through regular programmatic reporting. In advance of making this election, a recipient may begin to use up to $10 million of SLFRF funds for government services.

Based off the Final Rule, with the election of the standard allowance, the City is eligible to claim all $5,883,695 it is to receive as revenue loss. The City can claim it has already spent the ARPA funds on eligible public safety salaries, thus creating the economic benefit of freeing other funds previously spent on public safety salaries to be spent on other purposes. As part of the FY 21/22 Budget, the City has already budgeted to use $50,000 for the Homeless Shelter, $100,000 for Business Improvement Grants and $96,800 for VDI licenses. This leaves $5,636,895 of economic benefit available.

Capital Needs ARPA Allocation Scenarios

Project/Capital Needs	**Cost**	**ARPA**	**Loan**	**Impact Fees**	**Cap Reserve**
Airport Road	$ 600,000		$ 600,000		
Conrad Park	$ 1,250,000	$ 950,000		$ 300,000	
Voohris Avenue Streetscape	$ 700,000		$ 700,000		
Garfield Trail Match	$ 1,187,915	$ 787,915		$ 400,000	
Lake Moore	$ 500,000		$ 500,000		
Entry Features	$ 250,000	$ 250,000			
Homeless Bridge	$ 1,000,000	$ 1,000,000			
Recreation Fields at Victoria Park	$ 4,000,000		$ 4,000,000		
Road Resurfacing	$ 3,500,000		$ 3,850,000		
FY 22/23 Requested Capital	$ 4,979,700	$ 2,498,980			$ 2,480,720
TTLs	**$ 17,967,615**	**$ 5,486,895**	**$ 9,650,000**	**$ 700,000**	**$ 2,480,720**
ARPA Funds Balance		**$ 5,636,895**			
ARPA Funds Balance After Allocation		**$ 150,000**			
Capital Reserve Balance					**$ 5,684,922**
Capital Reserve Balance After Allocation					**$ 3,204,202**
Annual Debt Service Payment for Loan			**$ 710,000**		

Loan Amortization Schedule

	Enter values
Loan amount	$ 9,650,000.00
Annual interest rate	4.00 %
Loan period in years	20
Number of payments per year	1
Start date of loan	10/1/2022
Optional extra payments	

	Loan summary
Scheduled payment	$ 710,063.89
Scheduled number of payments	20
Actual number of payments	20
Total early payments	$ -
Total interest	$ 4,551,277.81

Lender name:

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	10/1/2023	$ 9,650,000.00	$ 710,063.89	$ -	$ 710,063.89	$ 324,063.89	$ 386,000.00	$ 9,325,936.11	$ 386,000.00
2	10/1/2024	$ 9,325,936.11	$ 710,063.89	$ -	$ 710,063.89	$ 337,026.45	$ 373,037.44	$ 8,988,909.66	$ 759,037.44
3	10/1/2025	$ 8,988,909.66	$ 710,063.89	$ -	$ 710,063.89	$ 350,507.50	$ 359,556.39	$ 8,638,402.16	$ 1,118,593.83
4	10/1/2026	$ 8,638,402.16	$ 710,063.89	$ -	$ 710,063.89	$ 364,527.80	$ 345,536.09	$ 8,273,874.35	$ 1,464,129.92
5	10/1/2027	$ 8,273,874.35	$ 710,063.89	$ -	$ 710,063.89	$ 379,108.92	$ 330,954.97	$ 7,894,765.44	$ 1,795,084.89
6	10/1/2028	$ 7,894,765.44	$ 710,063.89	$ -	$ 710,063.89	$ 394,273.27	$ 315,790.62	$ 7,500,492.16	$ 2,110,875.51
7	10/1/2029	$ 7,500,492.16	$ 710,063.89	$ -	$ 710,063.89	$ 410,044.20	$ 300,019.69	$ 7,090,447.96	$ 2,410,895.20
8	10/1/2030	$ 7,090,447.96	$ 710,063.89	$ -	$ 710,063.89	$ 426,445.97	$ 283,617.92	$ 6,664,001.99	$ 2,694,513.11
9	10/1/2031	$ 6,664,001.99	$ 710,063.89	$ -	$ 710,063.89	$ 443,503.81	$ 266,560.08	$ 6,220,498.18	$ 2,961,073.19
10	10/1/2032	$ 6,220,498.18	$ 710,063.89	$ -	$ 710,063.89	$ 461,243.96	$ 248,819.93	$ 5,759,254.21	$ 3,209,893.12
11	10/1/2033	$ 5,759,254.21	$ 710,063.89	$ -	$ 710,063.89	$ 479,693.72	$ 230,370.17	$ 5,279,560.49	$ 3,440,263.29
12	10/1/2034	$ 5,279,560.49	$ 710,063.89	$ -	$ 710,063.89	$ 498,881.47	$ 211,182.42	$ 4,780,679.02	$ 3,651,445.71
13	10/1/2035	$ 4,780,679.02	$ 710,063.89	$ -	$ 710,063.89	$ 518,836.73	$ 191,227.16	$ 4,261,842.29	$ 3,842,672.87
14	10/1/2036	$ 4,261,842.29	$ 710,063.89	$ -	$ 710,063.89	$ 539,590.20	$ 170,473.69	$ 3,722,252.09	$ 4,013,146.56
15	10/1/2037	$ 3,722,252.09	$ 710,063.89	$ -	$ 710,063.89	$ 561,173.81	$ 148,890.08	$ 3,161,078.28	$ 4,162,036.65
16	10/1/2038	$ 3,161,078.28	$ 710,063.89	$ -	$ 710,063.89	$ 583,620.76	$ 126,443.13	$ 2,577,457.53	$ 4,288,479.78
17	10/1/2039	$ 2,577,457.53	$ 710,063.89	$ -	$ 710,063.89	$ 606,965.59	$ 103,098.30	$ 1,970,491.94	$ 4,391,578.08
18	10/1/2040	$ 1,970,491.94	$ 710,063.89	$ -	$ 710,063.89	$ 631,244.21	$ 78,819.68	$ 1,339,247.72	$ 4,470,397.75
19	10/1/2041	$ 1,339,247.72	$ 710,063.89	$ -	$ 710,063.89	$ 656,493.98	$ 53,569.91	$ 682,753.74	$ 4,523,967.66
20	10/1/2042	$ 682,753.74	$ 710,063.89	$ -	$ 682,753.74	$ 655,443.59	$ 27,310.15	$ -	$ 4,551,277.81