



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: August 4, 2021

REPORT TO: Mayor and City Council
REPORT FROM: Daphne Hooper, City Manager
REVIEWED BY: Brandi Jensen, City Attorney
REVIEWED BY: Denise Lewis, City Treasurer

FINANCIAL IMPACT:

Yes: No:

CURRENTLY BUDGETED:

Yes: No:

FUND/ACCOUNT:

ARPA Funds

ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action): Approval of the spending plan for the coronavirus local fiscal recovery fund established under the American Rescue Plan Act in the amount of \$20,972,921.50.

Agenda Item Brief: On July 21, 2021, Fernley City Council adopted Resolution 21-005 accepting the allocation of \$20,972,921.50 the Coronavirus State and Local Fiscal Recovery Funds established in the American Rescue Plan Act under sections 602 and 603 of the Social Security Act to help states and localities address the economic and health consequences of the pandemic. The proposed spending plan must be accepted by the City Council.

"I move to approve the spending plan presented for the coronavirus local fiscal recovery fund established under the American Rescue Plan Act in the amount of \$20,972,921.50."

Business Impact (per NRS Chapter 237):

- A Business Impact Statement is Attached.
- A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Council may make any amendments or adjustments.

BACKGROUND:

The American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds under sections 602 and 603 of the Social Security Act to help states and localities address the economic and health consequences of the COVID-19 pandemic. The Coronavirus Local Fiscal Recovery Fund (Fund) provides for payments to non-entitlement units of local government (NEUs), which are local governments typically serving a population under 50,000.

City Council adopted Resolution 21-005 on July 21, 2021, accepting \$18,921,964.50 from the Fund knowing the City would receive half of the advanced funds in July 2021 and the other half in July 2022. Subsequently, an amendment was presented to Council on August 4, 2021, to include an amendment, which provides a total of \$20,972,921.50.

The Secretary of the Treasury issued the Interim Final Rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act, which states Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small business, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- 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; and
- To make necessary investments in water, sewer, and broadband infrastructure.

It further states that recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

Federal guidance provides eligible uses for responding to the negative economic impacts resulting from the pandemic. The City of Fernley has identified the following areas for consideration:

Addressing Educational Disparities: School closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local educational authorities, or administration of those services.
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies.
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs; and
- Evidence-based practices to address the social, emotional, and mental health needs of students.¹

¹ Department of the Treasury, 31 CFR Part 35, Coronavirus State and Local Fiscal Recovery Funds, p. 40.

Promoting Healthy Childhood Environments: Children’s economic and family circumstances have a long-term impact on their future economic outcomes. Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today’s children due to the pandemic. Eligible services to address this challenge include:

- New or expanded high-quality childcare to provide safe and supportive care for children.²

Behavioral Health Care: New or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine. ³

Investments in Infrastructure: To assist in meeting the critical need for investment and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Fund provides funds to make necessary investments in these sectors. Allows for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service.⁴

Uses Outside the Scope: A general infrastructure project may be included if the project responds to a specific pandemic public health need (e.g. investment in facilities for the delivery of vaccines).⁵

PROPOSED PLAN:

\$8,000,000 will provide necessary funding for wastewater infrastructure identified in the Capital Improvement Plan. These funds have been incorporated into the Water/Sewer Rate Study and will reduce the anticipated fee increase for wastewater from 6% to 3%.

A broad range of services and programming are needed to contain COVID-19. Mitigation and prevention efforts for COVID-19 include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. ⁶

A Community Resource and Response Center will provide a venue for responding to the pandemic with the delivery of vaccines, testing, and other public health needs. Further, the Center will provide programs and resources that address the negative economic impacts from the pandemic including, but not limited to food insecurity, emergency shelter/quarantine, childcare, educational needs, and mental health support. This project includes \$12,000,000 from the ARPA Funds, which will be leveraged with other funds for the completion of the entire project. Once Council has approved the use of the ARPA funds, the working group will move forward with a full plan for the design, engineering, construction, and implementation of programs and resources for the Community Resources and Response Center.

Approximately \$1,000,000 has not been designated for specific purposes. With ample time to determine the

² Id., p. 41.

³ Id., p. 19.

⁴ Id., p. 62.

⁵ Id., p. 42.

⁶ Id., p. 18.

best use of these funds, any future expenditures will be presented to the City Council for consideration and approval.

Project	Description	Amount
Wastewater Infrastructure	Funding will be used to complete capital projects established in the Capital Improvement Plan for wastewater.	\$8,000,000
Community Resource and Response Center	Development of a Community Resource and Response Center that will provide a designated location for vaccine distribution and testing, food distribution, programs and services related to the direct impacts of COVID-19 and the negative economic harm caused including but not limited to food insecurity, childcare, educational needs, mental health.	\$12,000,000
To Be Determined	Other eligible needs and requests will be presented to Council prior to expenditures.	\$972,921.50
TOTAL		\$20,972,921.50

LEGAL IMPLICATIONS:

The City of Fernley must comply with Department of the Treasury, 31 CFR Part 35, Coronavirus State and Local Recovery Funds.

FINANCIAL IMPLICATIONS:

A formal expenditure plan will be presented to the City Council for approval prior to any obligation of these funds. Funds may be used for eligible costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for purposes established in the Act. Funds must be obligated by December 31, 2024, and projects in progress must be completed by December 31, 2026. Any funds not obligated by December 31, 2024, must be returned.