

**FIRCREST CITY COUNCIL
SPECIAL MEETING AGENDA**

**MONDAY, OCTOBER 25, 2021
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDELL STREET**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. AGENDA MODIFICATIONS**
- 5. [PRELIMINARY 2022 BUDGET CHANGES](#)**
- 6. [ARPA FUNDS DISCUSSION](#)**
- 7. ADJOURNMENT**

Finance Department 2022 Budget

To: Mayor and Councilmembers
From: Colleen Corcoran, Finance Director
CC: Scott Pingel City Manager
Date: October 26, 2021
Re: 2022 Budget Changes from Preliminary

Attached are spreadsheets showing how the 2022 Preliminary Budget has been adjusted. Following are the explanations for each change.

General Fund Adjustments

Revenue

General Property Tax – (\$48,381) bank 1% of property tax for 2022 (\$16,384) plus effect of banking 2020 (\$15,876) and 2021 (\$16,121).

Retail Sales Tax – added \$37,000 to better match anticipated revenue.

Expenditures

Police Emphasis Patrol Overtime - added \$5,000.

Recreation Public Utilities – added \$25,000 to track the cost of public utilities in the Recreation department.

Parks Public Utilities – (\$25,000) to move the cost of Recreation’s public utilities to Recreation.

Transfer Out Property Tax- (7,257) results from banking 1% of general property tax.

Parks Capital – added \$50,000 for replacement of sign at Alice Peers Park.

Designated 44th/Alameda Ending Fund Balance – (50,000) for replacement of sign at Alice Peers Park.

Undesignated Ending Fund Balance – (\$11,381) decrease due to net adjustments listed above.

Street Fund Adjustments

Revenue

Transfer from Property Tax – (\$7,257) results from banking 1% of general property tax.

Expenditures

Undesignated Ending Fund Balance – (\$7,257) results from banking 1% of general property tax.

Park Bond Capital Fund Adjustments

Expenditures

Capital Expenses – (\$250,000) remove improvements for Fox Property.

**General Fund
Adjustments to the 2022 Preliminary Budget**

	2022 Preliminary	Adjustment	2022 Final
Designated/Light	518,050		518,050
Designated/44th & Alameda	608,138		608,138
Undes Beginning Fund Balance	<u>2,357,678</u>		<u>2,357,678</u>
Total Beginning Fund Balance	3,483,866	0	3,483,866
Taxes	3,814,854		
General Property Taxes		(48,381)	
Retail Sales Tax		37,000	
Total Taxes			3,803,473
Licenses & Permits	534,300		534,300
Intergovernmental Revenues	374,250		374,250
Charges for Goods & Services	1,222,498		1,222,498
Fines & Forfeits	219,600		219,600
Miscellaneous	192,290		192,290
Total Operating Revenue	6,357,792	(11,381)	6,346,411
ARPA Grant	400,000	0	400,000
TOTAL GENERAL FUND RESOURCES	10,241,658	(11,381)	10,230,277
Legislative	82,845		82,845
Judicial	397,925		397,925
Administration	331,780		331,780
Finance	381,750		381,750
Legal	224,850		224,850
Other Employee Benefits	6,500		6,500
Non-Departmental	239,069		239,069
Personnel	41,950		41,950
Facilities	539,875		539,875
Information Systems	67,500		67,500
Civil Service Commission	6,100		6,100
Police	1,860,276		
Emphasis Patrol Overtime		5,000	
Total Police			1,865,276
Fire/EMS	725,925		725,925
Jail	30,500		30,500
Building Inspection	81,350		81,350
Emergency Management	15,300		15,300
Physical Environment	14,742		14,742
Planning	69,200		69,200
Health	2,140		2,140
Recreation	357,150		
Public Utilities		25,000	
Total Recreation			382,150
Participant Recreation	36,100		36,100

**General Fund
Adjustments to the 2022 Preliminary Budget**

	2022 Preliminary	Adjustment	2022 Final
Library	12,000		12,000
Community Events	38,650		38,650
Swimming Pool	251,055		251,055
Parks	272,330		
Public Utilities		(25,000)	
Total Parks			247,330
Total	6,086,862	5,000	6,091,862
Operating Transfer/Street Beautification	10,000		10,000
Operating Transfer/Property Tax	251,606	(7,257)	244,349
Total Operating Cost	6,348,468	(2,257)	6,346,211
Revenue over (Under) Operating Expenses	9,324	(9,124)	200
Facilities	400,000		400,000
Parks	55,000	50,000	105,000
Total Capital	455,000	50,000	505,000
Transfer to Street Lt. Maint. From Desg Lt.	40,600		40,600
Total Transfers Out	40,600	0	40,600
Undes Ending Fund Balance	967,002	(9,124)	957,878
Reserved for Cash Flow	1,400,000		1,400,000
Designated/Light	477,450		477,450
Designated/44th & Alameda	553,138	(50,000)	503,138
Total Ending Fund Balance	3,397,590	(59,124)	3,338,466
TOTAL GENERAL FUND BUDGET	10,241,658	(11,381)	10,230,277

**Street Fund
Adjustments to the 2022 Preliminary Budget**

	2022 <u>Preliminary</u>	<u>Adjustment</u>	2022 <u>Adjusted</u>
Beginning Fund Balance	246,141		246,141
Total Beginning Fund Balance	246,141	0	246,141
Operating Revenues	158,005		
Transfer from Property Tax		(7,257)	
Total Operating Revenues			150,748
Preliminary Operating Transfers In	<u>302,206</u>		<u>302,206</u>
Total Operating Revenue	460,211	(7,257)	452,954
Total Transfer In for Capital from Light Money			0
Total Transfer In for Capital from REET 1	100,000		100,000
Total Transfer In for Capital from REET 2	0		0
Total Grant Revenue	<u>0</u>		<u>0</u>
Total Revenue for Capital	100,000	0	100,000
TOTAL STREET FUND RESOURCES	806,352	(7,257)	799,095
Street Maintenance	329,560		329,560
Street Light Maintenance	40,600		40,600
Street Beautification	<u>90,550</u>		<u>90,550</u>
Total Operating Cost	460,710	0	460,710
Revenue over (Under) Operating Expenses	(499)	(7,257)	(7,756)
Capital Expenditures	<u>100,000</u>		<u>100,000</u>
Excess revenue over (under) operating and Capital	(499)	(7,257)	(7,756)
Undesignated Ending Fund Balance	245,642	(7,257)	238,385
Total Ending Fund Balance	245,642	(7,257)	238,385
TOTAL STREET FUND BUDGET	806,352	(7,257)	799,095

PARK BOND CAPITAL FUND
Adjustments to the 2022 Preliminary Budget

	<u>2022 Preliminary</u>	<u>Adjustment</u>	<u>2022 Adjusted</u>
Beginning Fund Balance	0		0
Grant Revenue	174,515		174,515
Investment Revenue	100		100
Donations	1,250,000		1,250,000
Total Revenue	1,424,615	0	1,424,615
TOTAL PARK BOND CAPITAL FUND RESOURCES	1,424,615	0	1,424,615
Capital Expenses	782,000	(250,000)	532,000
Transfer Out to Cum. Rsv. Loan Payment-Principal	762,846		762,846
Transfer Out to Cum. Rsv. Loan Payment-interest	11,500		11,500
Total Expenditures	1,556,346	(250,000)	1,306,346
Excess over (under) including capital	(131,731)	250,000	118,269
Undesignated Ending Fund Balance	(131,731)	250,000	118,269
TOTAL PARK BOND CAPITAL FUND BUDGET	1,424,615		1,424,615

AGENDA ITEM: American Rescue Plan Act Funds Discussion

FROM: Scott Pingel, City Manager

BACKGROUND: The City of Fircrest is slated to receive \$1,909,840 in American Rescue Plan Act (ARPA or Fiscal Recovery Funds) funds. The City received the first half of these funds in June 2021. The general guidance as to how these funds may be utilized is as follows:

- Responding to the COVID-19 pandemic
- Covering costs incurred from the public health emergency
- Replacing lost, delayed, or decreased revenues due to COVID-19
- Addressing the negative economic impacts on local businesses and nonprofits
- Making necessary investments in water, sewer, and broadband infrastructure

So far, the City Council has approved using ARPA Funds for the City’s business, rental and utility assistance programs, purchasing the remainder of the new AMI meters, and for purchasing AED’s for our police vehicles. Below is the effect of those approvals so far:

- **Assistance Programs:** to date \$69,438 has been awarded in business, rental and utility grants. Here is a brief breakdown of grants awarded to date:
 - 15 Utility Grants = \$8,338
 - 12 Rental Grants = \$26,100
 - 5 Business Grants = \$35,000
- **AEDs for Police Vehicles:** \$20,000.
- **AMI Meters:** \$462,515. We are slated for an additional \$165,000 grant from the State Capital Fund for meter replacement. We have not yet received any documents from the Department of Commerce for this grant, but it will reduce the amount of ARPA Funds needed for this project by \$165,000.

$$\begin{array}{r}
 \text{Total} = \$551,953 \\
 \underline{\quad - \$165,000} \\
 = \$386,953
 \end{array}$$

ARPA Funds Remaining = \$1,522,887

Staff recommend the following for utilizing the remainder of the City’s ARPA Funds:

- **Continued Business, Rental, and Utility Assistance grants:** ≈ \$75,000.
- **AMI Meter Infrastructure:** \$56,000. If we make this purchase in 2021, the cost will be closer to \$40,000. Part of this cost is based on the number of new meters we have installed, so if we get this infrastructure in place while we only have 25-30% of new meters in the ground, the cost will be much less.

- **HVAC Improvements:** < \$400,000. This would be for improvements at City Hall, the Public Safety Building, and the Public Works Facility. This does not represent a detailed estimate, and staff believe this cost will shrink.
- **Water and Sewer Infrastructure:** \$800,000.
 - **Summit Water Main Improvements:** \$300,000 - \$500,000. Without curb and ADA improvements, this will be closer to \$300,000. With curb and ADA improvement it will be closer to \$500,000. If we choose this option, we will adjust the budget for the Water Capital Fund to insert this project in place of the Contra Costa and Rose mainline improvements currently in the preliminary budget for 2022. In engineering and bidding the project, we can make the curb and ADA improvements an add alternate similar to the recent Alameda Overlay where the new curbing was an add alternate.
 - **Berkeley and Buena Vista Sewer Main Extension:** ≈ \$500,000. This deserves additional discussion. It may be worthwhile to complete this sewer main extension using sewer capital funds, and use ARPA Funds for projects currently planned through the sewer capital fund.

Other possibilities might include:

- **Replace lost revenue:** This will be based on a formula. MRSC has developed a template we can use if necessary.
- **Council Chambers Upgrades:** We do not have a good estimate of this cost currently. We are able to accommodate hybrid online and in-person attendance with our current setup. We should upgrade our mics and mic management system eventually, but we have sufficient ERR funds for that. We can continue to look at options for installing a large flat screen in Council Chambers in place of a projector if that is desirable, or we can stick with our current projector setup.
- **Pierce County Partnership:** Pierce County reached out asking about potential opportunities to partner with ARPA Funds. Staff have not identified a project wherein it would be beneficial to partner with Pierce County.
- **To Be Determined:** The City has until the end of 2024 to spend ARPA Funds. We are not required to encumber every dollar right away.