City Council Work Session
May 12, 2022

American Rescue Plan Act

THE AMERICAN RESCUE PLAN

AMERICAN RESCUE PLAN ACT OF 2021

American Rescue Plan Act (ARPA) Timeline

- May 25, 2021 – U.S. Department of Treasury issued a notice to the City of Staunton that the first half of funding had been issued and sent to City's account.
- Amounts received equaled $2,421,374.50 and $4,056,838.50 for County and City funding respectively – **a total of $6,478,213**
    - This represents one half of the City's total allotment of ARPA Funds with the second half expected by the end of May 2022.
- Treasury guidance calls for all expenditures to be encumbered by December 31, 2024 and spent by December 2026.
- Treasury issued "Final" guidance in January 2022 with an effective date of April 1, 2022, and continue to update interpretations via FAQ's.
    - Treasury has indicated that any expenditures localities make that are based upon current guidance will be held to be compliant even if Treasury interpretations are modified at a future date.
- Given the expanded expenditure timeline staff has deliberately waited until the "Interim Final Rules" have stabilized by Treasury allowing us to proceed with a high level of certainty in our recommendations.

ARPA Funding Categories

A. Support for the Public Health and Economic Impacts
B. Premium Pay for Essential Workers
C. Payroll Expenses for Public Health & Safety Employees
D. <u>Replace Public Sector Revenue loss</u>
E. Water, Sewer, and Broadband Infrastructure

Replace Public Sector Revenue Loss

- ARPA allows for localities to recapture of general revenues lost as a result of the COVID 19 Pandemic. General revenues include taxes, current charges, miscellaneous general revenue, and intergovernmental transfers between state and local governments and parking revenue.
- Loss of revenues are calculated by the formula provided by the US Treasury Department and measures actual revenue verses potential revenue. Under this formula the greater of the lost revenue percentage above the base year or 5.2% is used.
- Key advantage of the loss of revenue calculation is it allows for a more flexible use of funds and less reporting requirements.
- Under the final rule, localities are allowed to perform this calculation at either the end of the fiscal year or calendar year.
- The calculation must be consistent throughout the process.
- Staunton has chosen the fiscal year basis which allows for audited financials to be used without prorations.
- Calculation dates for Staunton will be 06/30/20; 06/30/21; 06/30/22; 06/30/23; and 06/30/24. These calculations stand on their own and are not cumulative.

Replace Public Sector Revenue Loss

- The final rule offers localities an option to elect a standard allowance for loss of revenue of $10 million or choose to complete the loss of revenue calculation.
- The one time election was due by April 30, 2022
- The City of Staunton elected to proceed with the calculation method.
- Based upon FY2020 and FY2021 fiscal year loss of revenue calculations, we have been able to capture $10.8 million or 83% of our expected allocation.
- FY2022’s calculation is expected to capture the remaining amount.

Replace Public Sector Revenue Loss

Loss of Revenue can be used for services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated.

Government services generally include any service traditionally provided by a government. Examples specifically provided by Treasury include:

- Construction of schools and hospitals
- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff, and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

City of Staunton
American Rescue Plan Act
Resident and Business Surveys

May 12, 2022

Polco

Civic Communication & Analytics Platform

Smarter, better connected communities. A civic surveying, policy polling, and constituent communication tech platform.

National Research Center

Advanced Survey Science & Performance Analytics

Data insights to help communities move forward. The premiere provider of professional civic surveys and performance benchmarking analyses.

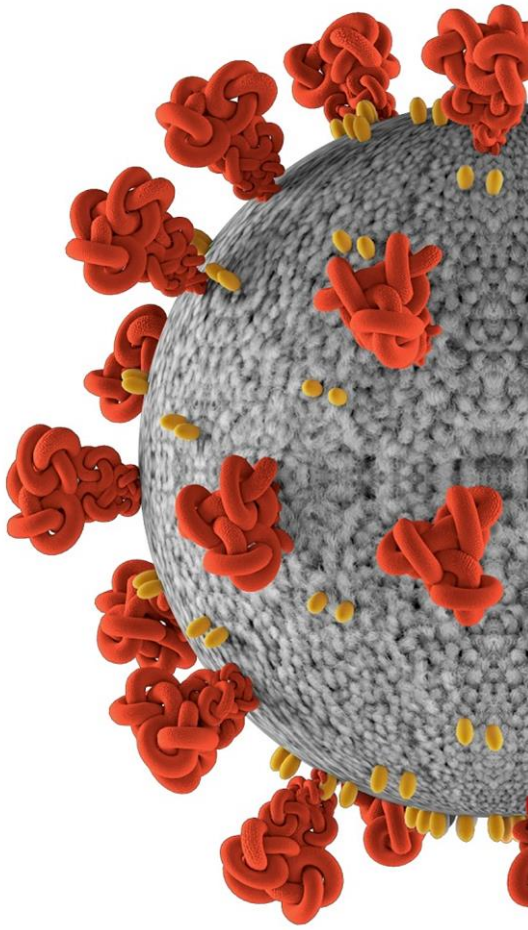
Questions about our product?

Visit **www.polco.us** to learn more

Exclusive partners of:

ICMA NLC NATIONAL LEAGUE OF CITIES

The COVID-19 pandemic has impacted every aspect of community livability. Deciding how to best spend ARPA funds can be challenging with so many competing needs.



Treasury Guidelines

"The Treasury urges State, territorial, Tribal, and local governments ***to engage their constituents and communities in developing plans*** to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding."

https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds

The ARPA Engagement Surveys

Administered over time
Throughout ARPA funding to regularly assess needs and measure performance

ARPA Surveys

Residents

A subset of key indicators from NRC Benchmark surveys (The National Community Survey and The National Business Survey)

Business Community

What are we measuring?

Domains of Community Livability

Resident and business owner perspectives on:

- Community livability
- Challenges faced
- Spending Priorities

The ARPA Engagement Surveys

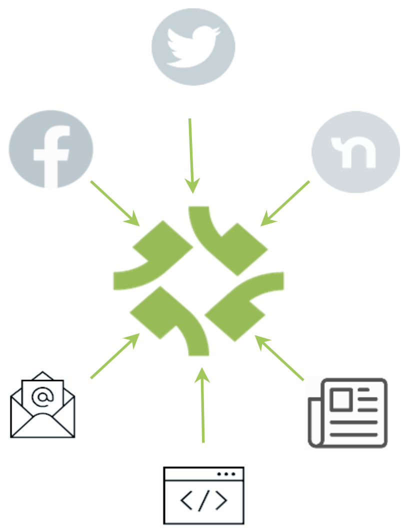
Section	Sample questions or topics
Community Livability Rating: Excellent ⟷ Poor	Overall economic health Quality of utilities Health and wellness Feelings of safety
Personal Impact Rating: Major ⟷ None	Physical health of household members Making rent or mortgage payments Lack of technology to work or attend school remotely Lack of skills/training to get a job that pays a livable wage
Business Impact Business Index Rating: Major ⟷ None	Decline in business/sales Need to lay off employees Shortage of skilled employees
Priorities for ARPA Fund Use Rating: Essential ⟷ Not important	Replenish lost revenues to return local services to pre-COVID19 levels Provide economic aid to households affected by the pandemic Provide economic aid to small businesses

Resident Survey:

- Survey dates: November 10, 2021-December 31, 2021
- Postcards to 4,000 households
- Outreach methods: Media release, Facebook posts, Paid Facebook ads, Website, Discussion by Council at Public Meeting, Provided printed surveys
- 366 completed surveys
- Results statistically weighted to reflect the city overall
- Survey available in English and Spanish

Business Survey:

- Survey dates: November 10, 2021 - December 31, 2021
- Postcards out to approximately 868 businesses
- Outreach methods: Media release, Facebook posts, Paid Facebook ads, Website, Discussion by Council at Public Meeting, Provided printed surveys
- 90 completed surveys



National Benchmark Comparison Database

THE NCS™
THE NATIONAL COMMUNITY SURVEY™

Benchmarks

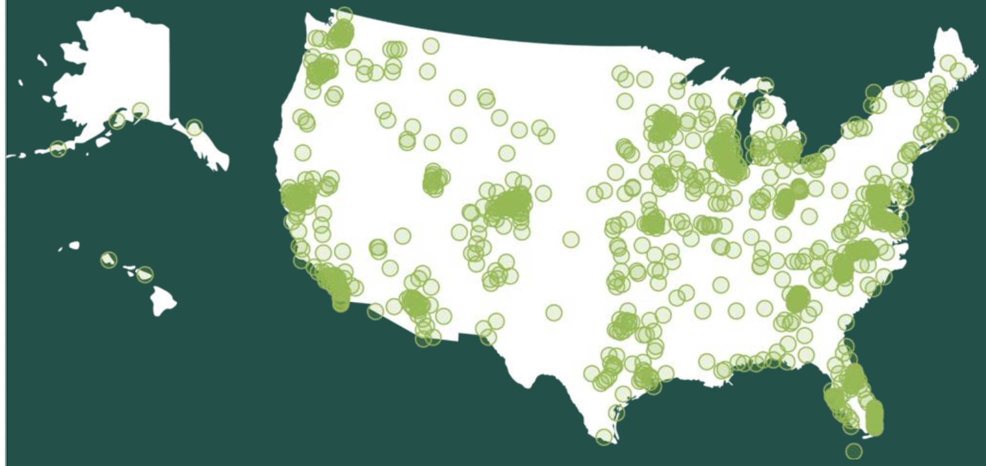
Much more favorable
At least 20 points more favorable than benchmark

More favorable
10-20 points more favorable than benchmark

Similar
No statistically significant difference

Less favorable
10-20 points less favorable than benchmark

Much less favorable
At least 20 points less favorable than benchmark



More than **500** comparison communities across the nation.

Representing the opinions of more than **50 million** residents.

Trends Over Time

The best benchmark is your own community over time

Trends

More favorable
At least 7 percentage points more favorable than last measure

Similar
No statistically significant difference

Less favorable
At least 7 percentage points less favorable than last measure

Community Livability

The surveys assess both the **quality** and **importance** of **10** domains of community livability to identify areas most in need of intervention

Community Livability: Quality Ratings

Community Facet	Percent Excellent or Good	
	Residents	Business
Parks and Recreation	84%	87%
Safety	83%	84%
Natural Environment	81%	78%
Education, Arts and Culture	69%	67%
Health and Wellness	62%	62%
Inclusivity	54%	48%
Community Design	53%	53%
Mobility	48%	34%
Utilities	47%	31%
Economy	43%	44%

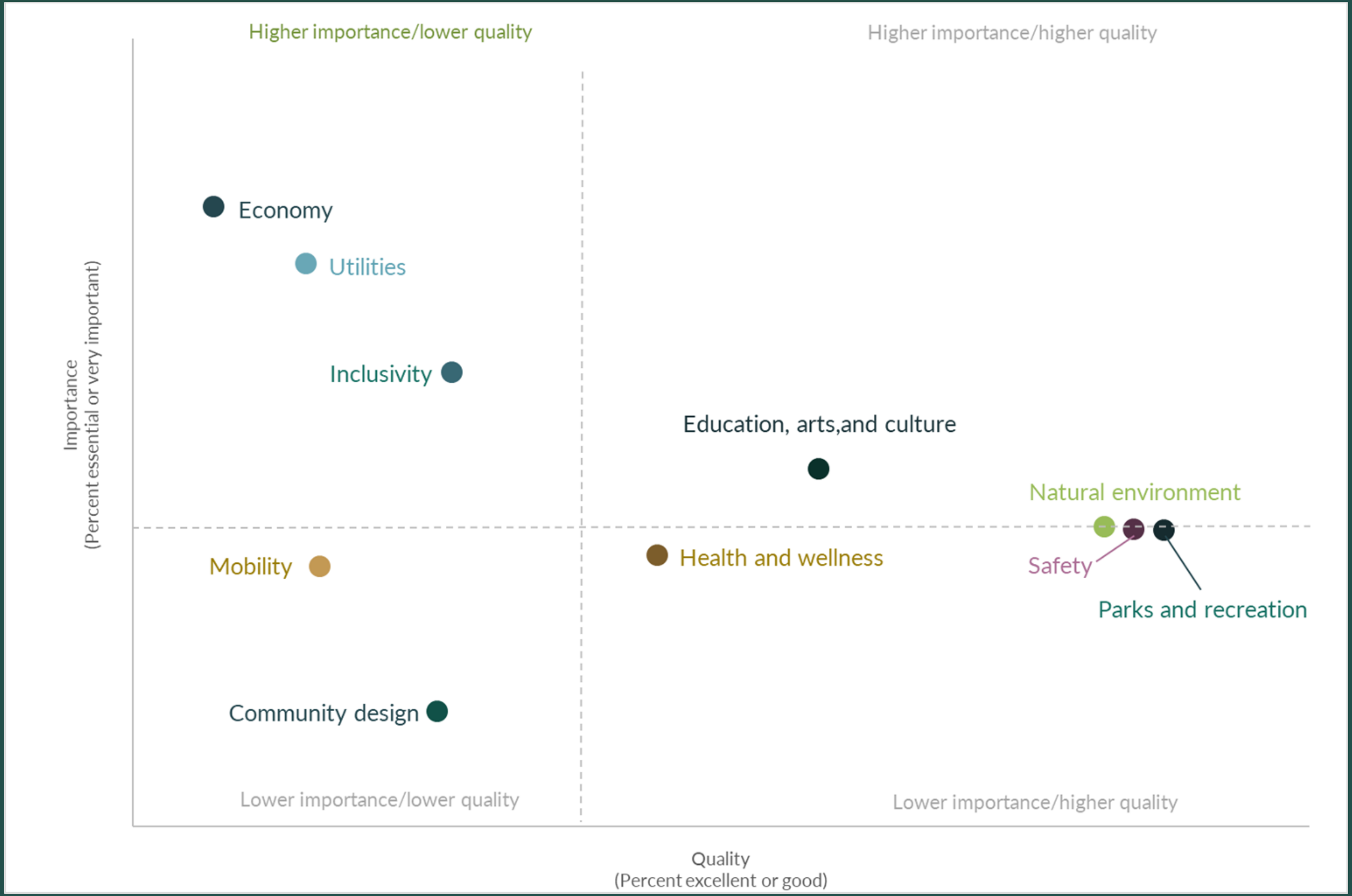
Community Livability: Importance Ratings

Community Facet	Percent Essential or Very important Focus in Next 12 Months	
	Resident	Business
Economy	89%	95%
Utilities	86%	91%
Inclusivity	79%	78%
Education, arts, and culture	73%	73%
Safety	69%	71%
Parks and recreation	69%	75%
Natural environment	69%	71%
Health and wellness	67%	73%
Mobility	66%	66%
Community Design	57%	59%

Critical Focus Areas

Livability domains that score **higher** in **importance** and **lower** in **quality** are identified as potential areas of opportunity

Resident Quality-Importance Chart



Critical Focus Areas Based on Resident Perspectives

Parks and Recreation
84% positive –

Safety
83% positive –

Natural Environment
81% positive –

Education, Arts and Culture
69% positive –

Health and Wellness
62% positive –

Inclusivity
54% positive –

Community Design
53% positive –

Mobility
48% positive –

Critical focus topic

Utilities
47% positive –

Critical focus topic

Economy
43% positive

Business Quality-Importance Chart

Critical Focus Areas Based on Business Perspectives

Parks and Recreation
87% positive –

Safety
84% positive –

Natural Environment
78% positive –

Education, Arts and Culture
67% positive ˆ

Health and Wellness
62% positive –

Community Design
53% positive –

Critical focus topic

Inclusivity
48% positive –

Critical focus topic

Economy
44% positive –

Critical focus topic

Mobility
34% positive –

Critical focus topic

Utilities
31% positive –

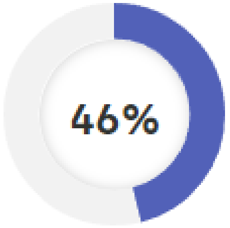
Community Challenges

Resident and business reports of challenges <u>in the past 12 months</u> help further identify potential areas of intervention

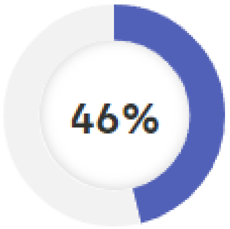
Household Challenges

Biggest challenges

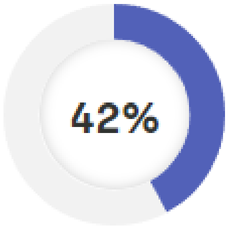
The percentages displayed are the proportion of respondents that rated the challenge as *major problem* or *moderate problem*.



rated **feeling like your voice is heard in the community** as problematic.



rated **lack of a quality public school system in your neighborhood** as problematic.



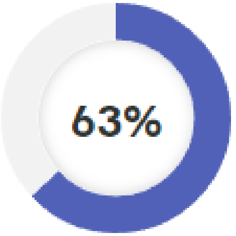
rated **lack of affordable quality child care** as problematic.

Other challenges (30% or more): The emotional health of household members (40%), Lack of affordable health care (39%), Not knowing what services are available in your community (38%), Exposure to COVID-19 (37%), Lack of affordable quality mental health care (35%), Reduced household income (32%), The lack of government services available to help your household recover from the pandemic (32%), Affording good internet/broadband service (31%)

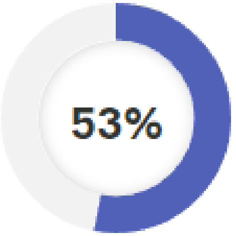
Business Challenges

Biggest challenges

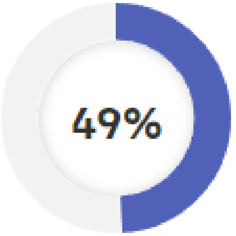
The percentages displayed are the proportion of respondents that rated the challenge as *major problem* or *moderate problem*.



rated **a shortage of skilled employees** as problematic.



rated **decline in business/sales** as problematic.



rated **employees getting burned out due to increased workloads** as problematic.

Other challenges: COVID-19 exposure of our employees (46%), The emotional health of our employees (40%)

COVID-19 Impacts on Businesses

- About one-quarter of businesses surveyed reported to laying off employees
- 77% reported revenues lower than projected for 2020
- About 4 of 10 businesses are back to pre-COVID levels or are doing better than before
- About 2 in 5 businesses report it will take 6+ months to return to pre-COVID levels

Community Disparities

- **Low income communities**
- **People of color**
- **Tribal communities**

Experienced higher rates of

- COVID-19 infection, hospitalization and death
- Unemployment, lack of food, lack of housing
- Educational challenges

Source: Department of Treasury Interim Final Rule ARPA

Because the pandemic impacts were not equally shared, it is important to monitor disparities and plan interventions that help reduce the gaps

Disparities in Household Challenges in ABC

ARPA Challenge	Income Level	Location	Race	Rent or Own Home
Behavioral Health Challenges	No disparity	Large	Small	Large
Economic Challenges	Large	Large	Large	Large
Educational/Child Care Challenges	Large	Large	Large	Large
Employment Challenges	Large	Large	Large	Large
Food Security Challenges	Large	Large	No disparity	Small
Health Challenges	No disparity	Large	No disparity	Small
Inclusion Challenges	Small	Large	Large	Small
Technology Challenges	Large	Large	No disparity	Large
Water and Sanitation Challenges	Large	Large	No disparity	Small

Self-Reported Knowledge of ARPA

Residents

45% informed

Businesses

52% informed

Percent very or somewhat informed

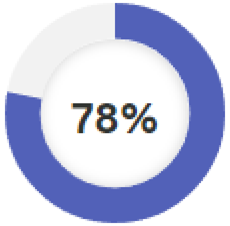
Funding Priorities

Understanding the priorities of stakeholders can help identify opportunities for intervention and education

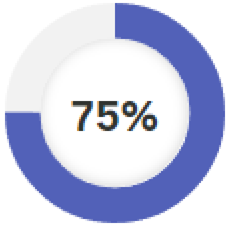
ARPA Funding Priorities for Residents

Most important funding categories

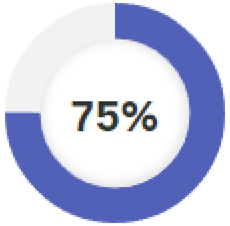
The percentages displayed are the proportion of respondents that rated the funding category as *essential* or *very important*.



rated **economic aid to households experiencing housing, food, or other financial hardships** as important.



rated **financial aid to high poverty school districts to help reduce gaps in educational achievement** as important.



rated **services to address behavioral healthcare needs increased by the pandemic (e.g., mental health treatment, substance abuse services, hotlines, etc.)** as important.

Other high priority issues: Investment in housing (74%), Services or programs to promote healthy childhood environments (73%), Economic aid to speed the recovery of the tourism, travel, and hospitality sectors (73%), Increased services and programs to address the health of communities and residents hit hardest by pandemic (72%), Economic aid and assistance to small businesses and non-profits experiencing financial hardships due to the pandemic (69%), Investments in broadband infrastructure (66%)

ARPA Funding Priorities for Businesses

Most important funding categories

The percentages displayed are the proportion of respondents that rated the funding category as *essential* or *very important*.

73% rated **economic aid and assistance to small businesses and non-profits experiencing financial hardships due to the pandemic** as important.

73% rated **services or programs to promote healthy childhood environments (e.g., expanded childcare, enhanced services for child welfare-involved families and foster youth)** as important.

71% rated **investments in the water and sewer system** as important.

Other high priority issues: Services to address behavioral healthcare needs increased by the pandemic (67%), Increased services and programs to address the health of communities and residents hit hardest by pandemic (67%), Financial aid to high poverty school districts to help reduce gaps in educational achievement (66%), Economic aid to households experiencing housing, food, or other financial hardships (64%)

Summary

- Critical focus areas in community livability related to Economy, Utilities, Mobility and Inclusion

- The biggest challenges for households related to feeling like your voice is heard in the community, lack of quality public school system, lack of affordable quality child care

- Businesses struggled with a shortage of skilled employees, decline in business/sales, and employees getting burned out due to increased workloads

- Investments receiving the highest level of support:

    - Economic aid to households
    - Financial aid to high poverty school districts
    - Services to address behavioral healthcare needs
    - Economic aid to small businesses and non-profits

Moving Forward

- Review the survey results and identify areas of focus
- Dig deeper as needed
- Develop strategies and interventions to address community areas of greatest need
- Measure our progress (next iteration of surveys)

Debriefing The Survey Results

What findings did you expect?

What findings were surprising?

Are there areas where you need to dig deeper?

In what areas should you focus?

Digging Deeper with Polco

Identify needs and baseline measurement

- Gauge resident satisfaction with community amenities and government service
- Establish a baseline for performance measurement

"Please rate the overall economic health of the county"

Understand stakeholder knowledge, sentiment and behaviors

- Understand knowledge gaps
- Identify stakeholder interests
- Measure behavior

"What sort of amenities would you like to see more of downtown?"

"How often, if ever, did you attend the farmers' market in last 12 months?"

Prioritize initiatives & alternatives

- Engage residents on fund/resource allocation and budgeting
- Determine community priorities

"How important is it for the City to focus on economic development?"

"How much do you support the County giving tax incentives for businesses to move downtown?"

Evaluate performance

- Periodic surveys to provide performance metrics
- Starts the process again as a needs assessment

"Please rate the overall economic health of the county"

ARPA Requests

Community Needs Requests

- Augusta Regional Dental
  - ➢ Service expansion - $15,000
- Valley Community Services Board
  - ➢ Community Coaching & Engagement Program - $120,000
- ➢ Augusta Health Foundation
  - ➢ Fatality Management Trailer - $19,000 (Staunton share if Waynesboro/Augusta contribute)
- Discussions with Community Foundation of the Central Blue Ridge
  - Childcare – under discussion
  - Affordable Housing – under discussion
  - Mental Health – under discussion
- City Council Requests:
  - Home repairs for low income households within the Qualified Census Track areas
  - Discount facility and connection utility fees in affordable dwelling units

ARPA Funding Staff Requests

Project	Place Holder	Removed
Emergency Radio	$ (2,000,000)	
School Construction Provision	(2,000,000)	
Practice Lights	(250,000)	
Pool House Renovations	(750,000)	
Park Bathrooms	(700,000)	
Fire Apparatus - Two Heavy Rescue/Two Pumpers	(3,100,000)	
Flood Shields	(300,000)	
Tunnel Repair & Design	(650,000)	
Uniontown Comprehensive Plan / Small Area Study	(75,000)	
Uniontown Water	(2,215,000)	
Uniontown Sewer	(2,984,000)	
Gardner Springs	0	(6,900,000)
Refuse Vehicle	(220,000)	
Gypsy Hill Stream Restoration	(1,200,000)	
Pedestrian Intersections	(850,000)	
Gypsy Hill Park Pump House Reconstruction	(250,000)	
Identified Projects	**$ (17,544,000)**	**$ (6,900,000)**
Total Allotment	$ 12,956,426	
Balance	**$ (4,587,574)**	

FY2023 DECLINED BUDGET REQUESTS

FY2023 UNFUNDED BUDGET REQUESTS			
ECONOMIC DEVELOPMEMT	**$ (76,000)**	**11088150-53010**	**STAUNTON CROSSING MARKETING PLAN**
PLANNING	**$ (100,000)**	**11088110-53010**	**WEST END PLANNING**
INFORMATION TECHNOLOGY	$ (31,000)	11011510-58316	VEHICLE
POLICE	$ (62,500)	11033110-55486	1 PATROL PC
POLICE	$ (62,500)	11033110-55486	1 PATROL PC
POLICE	$ (62,500)	11033110-55486	1 PATROL PC
INSPECTIONS	**$ (26,000)**	**11033410-58316**	**UNFUND REQUESTED VEHICLE REPLACEMENT**
STREETS	**$ (50,000)**	**11044130-58321**	**REQUESTED REPLACEMENT TRUCK**
STREETS	**$ (200,000)**	**11044130-58326**	**TRACTOR AND LONG ARM**
HORTICULTURE	**$ (30,000)**	**11077120-55455**	**WHARF TREE REPLACEMENT**
OUSIDE AGENCIES - GOLF	$ (2,500)	11077130-53010	FIRST TEE REDUCTION OF FY23 REQUEST
GOLF	$ (5,000)	11077130-53040	TREE CARE
GOLF	$ (50,000)	11077130-58341	KUBOTA TRACTOR
GOLF	$ (8,900)	11077130-58341	MJ840 CONTOUR MOWER
PARK MAINTENANCE	$ (28,000)	11077210-58321	VEN TRAC MOWER
PARK MAINTENANCE	**$ (17,500)**	**11077210-58321**	**BOOM MOWER**
PARK MAINTENANCE	$ (4,700)	11077210-58321	ROUGH CUT MOWER
PARK MAINTENANCE	$ (9,000)	11077210-58321	SOCCER FIELD CONVERSION
PARK MAINTENANCE	**$ (6,500)**	**11077210-58321**	**ROBOT VACUUM**
PARK MAINTENANCE	$ (22,000)	11077210-58321	PICKLE BALL COURT
PARK MAINTENANCE	$ (6,000)	11077210-58321	SNOW PLOW
PARK MAINTENANCE	$ (3,000)	11077210-58321	AREATION PUMP
PARK MAINTENANCE	$ (9,000)	11077210-58321	SOCCER BLEACHERS
PARK MAINTENANCE	$ (6,500)	11077210-58321	YAMAHA UTILITY CARTS
PLANNING	$ (31,000)	11088110-58316	VEHICLE
Total Unfunded Non Compensation	**$ (734,100)**		

ARPA - Uniontown

City Council, at their February 2, 2022 Work Session, expressed an interest in funding the extension of water and sewer lines to Jones Street, Patton Street, Anthony Street and National Avenue (generally referred to as "Uniontown").

- The City engaged the services of Wiley/Wilson to conduct a study.
- The preferred option is estimated to cost approximately $5.2 million.
- Staff recommends that the City conduct a comprehensive small area plan for the area. The plan would establish goals and objectives for the community; aligning with the City of Staunton Comprehensive Plan 2018-2040.
- At their April 21, 2022 meeting, the Planning Commission discussed how to proceed on the matter. On a 5-0 vote, the Commission unanimously voted to support a comprehensive study and small area plan for the area. It was noted that "the comprehensive plan should include potential scenarios of how the community could come back to life if the proposed utilities were put into place."

Recommended Expenditure Framework

Recognizing the City has up to five years to apply these funds towards programs and projects, staff is asking Council to consider a spending framework for the first half of the funds.

- An 80 %/20% split equates the following:
  - **$5.2 million** to address **capital projects** which traditionally are funded by fund balance carryover and or debt issuance.
  - **$1.3 million** in **community outreach support**

The City is scheduled to receive the second allotment by the end of May

- Consideration to defer $2 million for one more year to allow Council and staff to identify additional needs.

What’s Next?

- Validating and assessing requests is ongoing
- Seeking input from City Council

Questions and Feedback