

# Brainerd City Council Agenda Request

**Requested Meeting Date:**

**Title of Item:**

Agenda	Action Requested:	
CONSENT AGENDA	Approve/Deny Motion	Direction Requested
P&F COMMITTEE	Adopt Resolution (attach draft)	Discussion Item
SPW COMMITTEE	Ordinance 1 <sup>st</sup> Reading	Hold Public Hearing*
MAIN AGENDA	<i>*provide copy of published hearing notice</i>	

**Submitted by:**

**Department:**

**Presenter:**

**Estimated Time Needed:**

**Summary of Issue:**

**Alternative, Options, Effects on Others/Comments:**

**Recommended Action/Motion:**

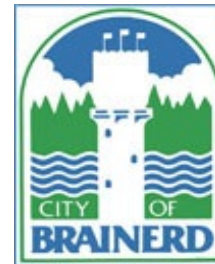
**Financial Impact:**

*Is there a cost associated with this request:*

*What is the total cost, with tax and shipping:*

*Is this budgeted? (Please Explain)*

# MEMO



**TO:** Mayor and Council

**FROM:** Finance Director Connie Hillman

**DATE:** November 2, 2022

**RE:** Use of Coronavirus State & Local Fiscal Recovery Funds (SLFRF) – Part of American Rescue Plan Act (ARPA) of 2021

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## **Background:**

The City received \$1,468,097.57 in State and Local Fiscal Recovery Funds (SLFRF) which were issued as part of the American Rescue Plan Act (ARPA) of 2021. The funds must be used for costs incurred on or after March 3, 2021, be obligated by December 31, 2024, and expended by December 31, 2026. The following lists are items that SLFRF dollars **cannot** be used for:

- To directly or indirectly offset a reduction in net tax revenue
- Deposits into pension funds
- Debt service or replenishing financial reserves
- Satisfaction of settlements and judgements
- Any project that conflicts with ARPA statute, including laws around procurement

At the June 20, 2022 Council meeting, the Council authorized the allocation of \$80,000 in ARPA Funds to the EDA to be used as a matching grant funds to eligible organizations or businesses for the DEED Main Street Revitalization program. Therefore **\$1,388,097.57** in FRF funds remains to be allocated.

City Council held a workshop on October 11, 2022. The spreadsheet created from the workshop is attached. Staff's recommendation would be for Council to adopt a budget for the use of ARPA funds that can later be amended as additional uses for the funds are determined.

## **Funding Recommendations:**

- **Funding for Parks: \$575,000**
  - 7 out of 8 council members recommended funding for park projects. The Park Board's requests for ARPA funding are included in this agenda item after Staff's memo.

- Based on discussion from the council workshop, there was mixed opinion on how much and which requested projects should be funded with APRA dollars. Consistently the 7 council members agreed on funding:

Lum Park Campground	\$150,000
Jaycees Park	200,000
Lum Park Beach	<u>150,000</u>
Total	\$500,000

- The average recommended funding, after removing the highest and the lowest amounts, is \$578,020. Therefore, it is Staff's recommendation to budget \$575,000 of ARPA funds for the following parks projects as requested by the Park Board:

Lum Park Campground	\$150,000
Jaycees Park	200,000
Lum Park Beach	150,000
Kiwanis Park	<u>75,000</u>
Total	\$575,000

- Staff would recommend Council provide specific direction to the Park Board on the expectation of the ARPA expenditures. Specifically, a ranking of projects in case the bids come in higher than expected. So, for example, if the Lum Park Campground and Jaycees Park were the priorities for the Council, those should be done first. If the bids come in higher than the amount of ARPA allocated, the Park Board should not proceed with the other projects.

- **2023 Capital: \$300,000**

- 5 out of 8 council members recommended some sort of funding for 2023 capital. The average recommended funding, after removing the highest and the lowest amounts, is \$268,750.
- Staff struggled with making a recommendation for the 2023 Capital amount. To be consistent with the recommendation for the parks, Staff should have recommended about \$250,000. It would be more ideal if ARPA funding would fund one full item on the 2023 proposed capital. Staff would recommend that to be the motor grader at an estimated cost of \$385,000. However, this is more than the funding recommended by most council member. Since 3 out of 5 recommended \$300,000 or more for 2023 capital, Staff is proposing \$300,000.

- ***Police Department HVAC (Future Capital): \$140,000***
  - 5 out of 8 council members recommended funding for the police department HVAC. There was split between funding option 1 or option 2.
  - Staff recommends doing option 2, which is estimated to cost \$330,000 to replace the current unit with 2 gas fired rooftop units. \$250,000 is in the 2024 capital plan for the police department HVAC. Staff was told there is a 40 to 50-week lead time on getting the units. Staff is proposing \$140,000 of the cost to be funding through APRA and the remaining \$160,000 to be funded through the 2024 capital. Both units would be ordered at the same time in early 2023.
  
- ***To be Determined: \$373,097.57***
  - This is the amount of the ARPA funds remaining after Staff's recommendations based on the information gathered from Council at the workshop.

**Conclusion:**

Staff did attach a budget worksheet. It has a column with the amounts suggested above based on the rational used. There is another column labeled Council's Motion 11/7/2022, that I will have at the council meeting to be completed, if council members would like something different than Staff's recommendations. Staff's recommendation would be for Council to set a budget for at least the funding for parks, 2023 capital, and police HVAC.

**September 6, 2022, Special Park Board Meeting**  
**Discussion of ARPA Fund Requests**

The Park Board respectfully requests the City Council's consideration of the following projects for ARPA funds. Board members discussed and chose projects that have community health and wellness in mind, projects that align with the Park Board's master park plans, and projects that would have the biggest impact on the community for residents and visitors alike to get more people into the parks on a year-round basis.

**Lum Park Campground**                      **\$150,000**

- Expand and improve the campground with additional RV sites and possible tent camping sites for bike trail users and river paddlers
- Generate additional revenue; the 2021 net campground revenue was \$47,000

**Jaycees Park\***                                      **\$200,000**

- Upgrade soccer field and parking area to accommodate growing YMCA youth programs
- Establish outdoor pleasure and hockey rinks and upgrade warming house for winter usage
- Develop park trail for year-round use and install horseshoe pits
- Plant trees to establish shady seating areas and replace trees lost in 2022 storms
- \*New playground was installed in 2022

**Memorial Park**                                      **\$125,000**

- Complete Phases 2 and 3 of the Master Plan that includes trails for year-round use, a disc golf course, and moving the Mills Field fence to provide more usable park space
- Plant trees to establish shady seating areas

**Lum Park Beach**                                      **\$150,000**

- Expand and improve the only swimming beach in the city park system for the enjoyment of residents, campground guests, and other visitors
- Add outdoor shower and additional picnic tables
- Add connecting pathways, beautification of transition from beach to grass areas, keep historic stone wall

**Kiwanis Park Clearing**                              **\$80,000**

- Clear brush and invasive species along Boom Lake and the Mississippi River
- Provide tables and benches for waterfront seating

**Skate Park**    **\$300,000**

- Contribute to fundraising efforts
- The Lakes Area Skate Park Association has raised less than \$100,000 towards this as well

**Total of Proposal: \$1,005,000**

**ARPA Allocation**

	<u>Stunek</u>	<u>Johnson</u>	<u>Bieser</u>	<u>Stenglein</u>	<u>Erickson</u>	<u>O'Day</u>	<u>Bevans</u>	<u>Badeaux</u>
<b>Total Funds</b>	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098	\$ 1,468,098
Allocated to EDA - Mainstreet Grant	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
<b>Remaining Allocation</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>	<b>\$ 1,388,098</b>

**Potential Projects**

Parks	592,000	555,000	700,000		555,000	580,000	583,098	580,000
River Crossing	-	-	-	1,179,241	-	-	-	-
Gully Remediation - Grant Match	-	-	208,857	208,857	208,857	-	-	-
2023 Capital	325,000	250,000	350,000	-	-	-	300,000	200,000
Annex Repair	-	-	-	-	294,241	-	-	-
Police Department HVAC	330,000	-	-	-	330,000	140,000	330,000	140,000
Streets/Park Facility	-	-	79,241	-	-	-	175,000	-
Other	91,098	533,098	50,000 *	-	-	668,098	-	418,098
Historic Watertower	50,000	50,000						50,000
Hwy 210 Ped Crossings								
Laurel Street Connection to NP								
<b>Remaining Allocation</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>

Banners, Trail Head Park, Lights, Holiday Decorations, Gregory Park Fount., Relocation of Trailer Park

\* Community base group to help homeowners

## ARPA Budget

	<b>Staff's Recommendation as of 11/7/2022</b>	<b>Council's Motion 11/7/2022</b>
<b>Total Funding</b>	<b>\$ 1,468,098</b>	<b>\$ 1,468,098</b>
Allocated to EDA - Mainstreet Grant	80,000	80,000
Future Parks Capital **	575,000	-
2023 Capital	300,000	-
Police Department HVAC	140,000	-
<b>To Be Determined</b>	<b>\$ 373,098</b>	<b>\$ 1,388,098</b>
** Future Park Capital Priority Order		
Lum Park Campground	\$ 150,000	\$ -
Jaycees Park	200,000	-
Lum Park Beach	150,000	-
Kiwanis Park	75,000	-
	<b>\$ 575,000</b>	<b>\$ -</b>