



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

Jason E. Brown, County Administrator
Michael C. Zito, Assistant County Administrator

MEMORANDUM

TO: Members of the Board
of County Commissioners

FROM: Jason E. Brown
County Administrator

PREPARED BY: Kristin Daniels
Director, Management & Budget

DATE: April 5, 2021

SUBJECT: American Recovery Plan Act of 2021 – Proposed Spending Plan

BACKGROUND:

On March 11, 2021, President Biden signed the \$1.9 trillion American Rescue Plan Act of 2021. The American Rescue Plan (ARP) as it is normally referred to, is a COVID-19 stimulus package that was intended to speed up the United State's recovery from negative economic health and economic impacts of COVID-19. Indian River County's ARP allocation is anticipated to be \$31,292,756. Funding will be awarded in two phases with the first 50% or \$15,646,378 being awarded within 60 days of the bill being signed which is scheduled to be sometime in mid-May. The remaining 50%, phase 2 allocation will be awarded not earlier than 12 months after the date on which the first allocation was paid. The County will have until December 31, 2024 to fully exhaust the \$31.3M award. Use of funds as outlined in the bill text are as follows:

“(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

“(B) to respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

“(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or

“(D) to make necessary investments in water, sewer, or broadband infrastructure.

Unfortunately, at this time the County has not been provided any further details regarding eligibility of expenses. As with the CARES Act, guidance will likely be forthcoming and may change multiple times over the next few months and years as the pandemic evolves.

ANALYSIS:

The following table shows the proposed spending per the categories outlined in the bill, with the exception of Constitutional Officer Expenses. As shown below, \$15,646,378 or 50% will be prioritized as phase 1, with the remaining 50% reserved for phase 2. Because Indian River County municipalities were awarded direct funding under the ARP, they have not been included in the proposal below. Items such as mortgage/rental assistance and the rapid credentialing program have unspent funding under the CARES Act and have therefore also not been included. Details regarding individual changes are itemized over the following pages.

Spending Plan			
Expense Category	Phase 1	Phase 2	Total
Respond to the Public Health Emergency	\$3,120,372	\$3,735,378	\$6,855,750
Workers Performing Essential Work	\$572,006	\$450,000	\$1,022,006
Reduction in Revenues	\$6,000,000	\$0	\$6,000,000
Water/Sewer or Broadband Infrastructure	\$3,250,000	\$8,750,000	\$12,000,000
Constitutional Officer Expenses	\$2,704,000	\$2,711,000	\$5,415,000
Total	\$15,646,378	\$15,646,378	\$31,292,756

Respond to the Public Health Emergency

Staff is proposing an allocation of \$6,855,750 be reserved for responding to the COVID-19 public health emergency. As the bill states,

“(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

Because of the economic impacts COVID-19 has had on rising home prices, staff is proposing a \$4.5M allocation be earmarked for administering a program similar to the County’s SHIP

program. This funding would be available to assist low income households in homebuying or rehabilitation costs associated with improving a home. The County did not receive a SHIP allocation in FY 20/21, and will likely receive only a fraction of the normal SHIP allocation in FY 21/22. This program would assist those in need to purchase or rehabilitate a home that may not otherwise be affordable given the current economic conditions. Staff has begun developing specific program guidelines since the program will differ slightly from the County's traditional SHIP program.

An additional \$1M allocation is being proposed for the Small Business Grant Program. Staff is not recommending expanding or altering the previously existing program at this time. These additional funds would be available to businesses that did not receive funding under the CARES Act appropriation as the CARES Act allocation was exhausted before all eligible businesses could receive funding.

The County has partnered with the Indian River County Chamber of Commerce to offer a tourism promotion campaign estimated to cost \$275,000. This advertising campaign would promote the County as being "Open for Business" while targeting the hospitality and tourism industries. The proposed program would offer vouchers for a free night's stay or discount at local restaurants and tourism related businesses after an initial stay in Indian River County. The program would encourage repeat visitors and strive to increase tourism over the summer months when hotel vacancies are at their peak.

The County is also proposing to partner with the United Way to address the ongoing impact of COVID-19. Areas of focus include mental health assistance, child abuse prevention and absentee diversion which are all expected to increase as the pandemic continues. The need for most of the other existing programs has reduced significantly over the last few months. This trend is expected to continue as we move forward. Staff estimates this program to cost \$540,750.

The remaining \$540,000 is being proposed to address ongoing COVID-19 related response within the BCC departments including enhanced cleaning of buildings, PPE, Munis modules to support teleworking and paperless transactions, consultant services if needed (reporting requirements still have not been released) and IT upgrades.

Workers Performing Essential Work

Funding for COVID-19 related overtime, Emergency Services District related expenses such as hands-free CPR devices, and worker's compensation costs for first responders is estimated to need an allocation of \$1,022,006 through December 31, 2024.

Reduction in Revenues

Although the County is awaiting further guidance regarding eligible revenue loss reporting, staff anticipates to claim approximately \$6M in lost revenue as a result of COVID-19 through September 30, 2021. These estimates are based on months where the County experienced a decrease in revenues related to COVID-19 when compared to actual revenues collected in FY 18/19, the first full fiscal year prior to the onset on the pandemic. Initial revenue loss was incurred

in the County's State Shared Revenues, Half-Cent Sales Tax, Gas Tax, Court Facility Surcharges, Tourist Taxes, Optional Sales Tax, Golf Course, Pools, Shooting Range, iG Facility, and Utilities. The County continues to experience losses Court Facility Surcharges, Pools, iG Facility, as well as Utilities when compared to FY 18/19. Staff has estimated these losses through September 30, 2021.

Water/Sewer or Broadband Infrastructure

As specifically referenced in the bill text, improvements to water/sewer and broadband infrastructure are eligible expenses under the ARP. Currently, the City of Fellsmere is undergoing a broadband study to determine where these services are most needed throughout the City, and how best to address the issue. Broadband is crucial in the City of Fellsmere and many other parts of the County to ensure teleworking and distance learning are able to take place. Staff plans to undertake a broadband study to evaluate needs throughout the unincorporated areas of the County to determine broadband needs and identify potential solutions. Staff is proposing an allocation of \$4M toward broadband improvements in the County.

Septic to sewer projects continue to remain a priority of the County and staff is proposing a \$2M allocation towards these efforts. Funding for septic to sewer projects in Roseland, West Wabasso, and Floravan Shores will be provided with this allocation. Staff will have these projects completed by the December 31, 2024 deadline.

The South County Water Treatment Plant is scheduled to undergo a significant renewal and replacement project which includes membrane replacement, high service pump replacement, piping modifications, a membrane cleaning system, and increased recovery as part of the overall improvement project. The engineer's estimated cost for the project is \$16M. Staff is proposing a \$6M allocation to offset the significant cost of these enhancements.

Constitutional Officer Expenses

Staff has received requests totaling \$5,415,000 from the Constitutional Officers. The Clerk of Court has requested a \$1M allocation, the majority (\$625,000) of which is to offset reduced revenues experienced as a result of courthouse closures. The remaining \$375,000 would be to respond to the public health emergency by improving IT infrastructure to support teleworking and remote redundancy for disaster recovery.

The Sheriff has requested an allocation of \$4M. Expenditures related to responding to the public health emergency total \$3.5M of the total request. These activities include PPE/disinfecting, infrastructure improvements to promote social distancing, and improvement in IT infrastructure to promote teleworking. The remaining \$500,000 requested is for essential workers to conduct essential work including overtime expenses incurred as well as COVID detail.

The Supervisor of Elections has requested an allocation of \$100,000 in order to respond to the public emergency. This funding will be used to purchase a DS850 ballot tabulator. Due to the 90% increase in main-in ballots the Supervisor of Elections processed due to COVID-19, an additional ballot tabulator is needed.

The Tax Collector and Property Appraiser have requested allocations of \$300,000 and \$15,000 respectively. These requests are providing funding to respond to the public health emergency and include miscellaneous purchases and COVID-19 related sick pay.

RECOMMENDATION:

Staff recommends that the Board consider the proposed spending plan (see attachment) as further detailed above totaling \$31,292,756, consider any changes, and approve the attached plan (with any amendments as needed). Staff further recommends that the Board authorize staff to submit the funding plan to the Treasury Department, complete any documentation necessary to do so, and authorize the Chair to execute any agreements with the funding partners that is consistent with our Federal requirements.

ATTACHMENTS:

ARP Proposed Spending Plan