



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

John A. Titkanich, Jr., County Administrator
Michael C. Zito, Deputy County Administrator

MEMORANDUM

TO: Members of the Board
of County Commissioners

FROM: John A. Titkanich, Jr.
County Administrator

PREPARED BY: Kristin Daniels
Director, Management & Budget

DATE: November 30, 2023

SUBJECT: American Rescue Plan Act of 2021 – Proposed Spending Plan Revisions

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 States' recovery from the negative health and economic impacts of COVID-19. Indian River County received \$31,063,168 in ARP funding. The County has until December 31, 2024 to encumber the funds, and until December 31, 2026 to fully exhaust all funding.

ANALYSIS:

The following table shows the proposed spending revisions per category.

Spending Plan			
Expense Category	Current Budget	Proposed Revisions	Revised Budget
Respond to the Public Health Emergency	\$6,409,337	(\$192,021)	\$6,217,316
Workers Performing Essential Work	\$1,772,006	(\$853,236)	\$918,770
Reduction in Revenues	\$5,920,447	\$0	\$5,920,447

Water/Sewer or Broadband Infrastructure	\$11,500,000	\$975,257	\$12,475,257
Constitutional Officer Expenses	\$5,461,378	\$70,000	\$5,531,378
Total	\$31,063,168	\$0	\$31,063,168

Respond to the Public Health Emergency

Staff is proposing a reduction of \$192,021 in funding from this category, bringing the revised total to \$6,217,316.

The County had previously allocated \$125,000 to address ongoing COVID-19 related response within the BCC departments including personal protective equipment (PPE), plexiglass dividers and signage. To date, the remaining balance of unspent funds totals \$119,069 and is not anticipated to be needed.

On August 17, 2021 the Board of County Commissioners approved \$75,000 in COVID-19 sick pay benefits to be paid to employees who were hired after August 1, 2020 and thus did not receive the initial 10 days of paid leave time under the Families First Coronavirus Relief Act (FFCRA). All benefit payments have been made and there is \$72,952 in funding to be reallocated.

In an effort to ensure funds are spent within the Treasury’s specified timeframe, Staff is proposing the individual program allotments within the \$4M Down Payment & Rehabilitation Assistance category be removed. By removing the spending limits on SHARP, CENO, RENO, etc., Staff will be able to ensure the funds are allocated towards the programs with the highest demand and need, without risking unspent funds having to be returned to the Treasury. Staff will however, ensure that the \$340,000 to cover the local match for the Low Income Housing Tax Credit application be earmarked through 2023. In the event the application is not awarded by the end of the year, Staff will then re-appropriate these funds to other eligible assistance programs.

Workers Performing Essential Work

Staff is proposing a reduction of \$853,236 in funding from this category, bringing the revised total to \$918,770.

Initially, \$100,000 was budgeted to cover COVID-19 related straight time and overtime. To date, only \$10,204 has been spent. Staff is proposing the remaining \$89,796 be reallocated to another eligibility category.

In addition, \$763,440 remains in the allocation to fund Worker’s Compensation COVID-19 related claims for First Responders. Because the past several months of these expenses have been very minimal, Staff is proposing the reallocation of these funds. Any Worker’s Compensation claims going forward will be charged to the County’s Risk Management fund just as they would normally.

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. The City of Fellsmere has completed a broadband study and is working to issue a solicitation to address the deficiencies noted in the study before the end of calendar year 2023. 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 has also completed a broadband study to evaluate needs throughout the unincorporated areas of the County to determine broadband needs and identify potential solutions. The results of that study indicate that Fellsmere is by far the most underserved area in Indian River County. Staff is proposing an allocation of \$3,413,744 to support the Fellsmere broadband improvements project. This funding will support expanding the project to include broadband for the unincorporated areas surrounding the City of Fellsmere. Staff is also proposing to make the City of Fellsmere a sub-recipient of this funding in order to allow them to combine this funding with funding from other sources to maximize the scope of the broadband expansion project and the number of residents served.

The South County Water Treatment Plant is currently undergoing significant renewal with upgrades of the filtration and finished water pumping systems. The project includes membrane skids replacement, replacement of high service pumps and additional new pumps, membrane pretreat improvements, and associated piping modifications; all designed to increase drinking water production efficiency (increase recovery). The project is in the advanced stage of construction, with the total estimated at \$14,590,282. Staff is proposing to allocate funding no longer needed from the aforementioned projects in the amount of \$975,257 to offset the significant cost of these enhancements. This additional funding brings the total allocation for the South County Water Treatment Plant Improvements to \$6,975,257.

Constitutional Officer Expenses

The Clerk of Court has requested an additional \$70,000 to fund various IT related upgrades. By utilizing ARP funding for these expenses, it ultimately lessens the burden on the County's General Fund millage. The Clerk's ARP allocation after this adjustment will be \$1,070,000.

RECOMMENDATION:

Staff recommends that the Board consider the proposed spending plan (see attachment) as further detailed above totaling \$31,063,168, consider any changes, and approve the attached plan with any amendments as needed. Staff further recommends that the Board authorize the Chair to execute the City of Fellsmere Broadband Agreement and any agreements with the funding partners that is consistent with our Federal requirements.

ATTACHMENTS:

ARP Proposed Spending Plan
City of Fellsmere Broadband Agreement