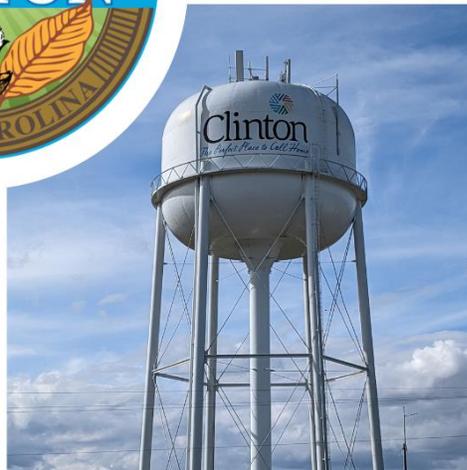


American Rescue Plan Act

Preliminary Spending Plan



Background

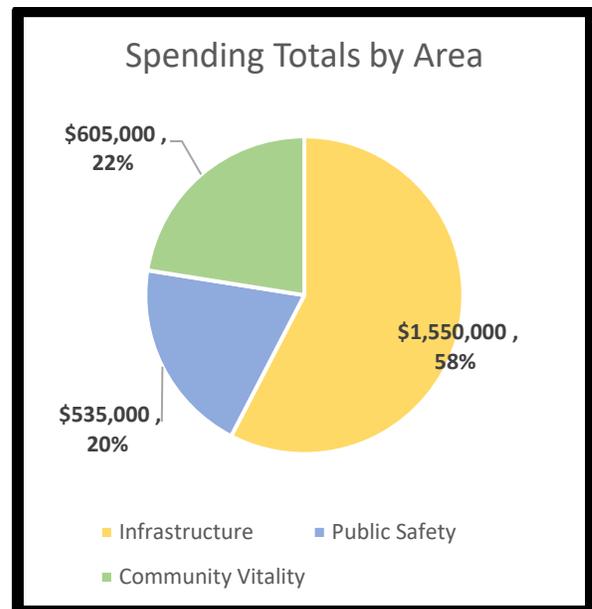
The American Rescue Plan Act (ARP) was signed into law in March 2021. The legislation included the first direct to municipalities, non-competitive, formula-based grants, from the US Treasury in history. Two tranches of funding are being paid directly to the City of Clinton totaling approximately \$2.7 million. To contextualize, 2.7 million is about 18% of the City's total operating budget any given year.

The first tranche was received in August 2021 and the second tranche is expected in the summer of 2022. The deadline for dedicating the ARP funds is set for December 2024 and the deadline for expending the funds is set for December 2026. At the time of this spending plan's development, the US Treasury has provided an Interim Final Rule identifying acceptable uses of the funds. The broad categories include COVID response and economic assistance, certain essential worker payroll expenses, revenue replacement, and investments in water & sewer infrastructure.

The ARP was discussed in broad terms during the spring of 2021 as the City's FY21/22 operating budget was developed. As more specific guidance on acceptable use of the ARP funds has slowly become available, the development of this more detailed spending plan became feasible. It is notable, the US Treasury has not issued a final rule at this time but has indicated the final rule will not be more restrictive than the already issued interim rules. Stated another way, there could be further expansion of acceptable uses of the ARP funds but not further restriction.

Clinton Preliminary Spending Plan

The spending plan developed by city staff focuses spending around three major areas of investment: Infrastructure, Public Safety, and Community Vitality. Other parts of the broader American Rescue Plan legislation funnel funding into social programs including personal income assistance, business assistance, rent and utility assistance, and many other areas of need. This plan focuses spending around achieving the existing strategic goals of the City of Clinton by investing in community infrastructure and enhancing existing public services provided by the City of Clinton. Investments in these areas is where we can achieve the greatest impact.



	ARP Category:	sub-category	Phase I	Phase II	
Infrastructure					\$1,550,000
Soft Start Motors	<i>Infrastructure:</i>	<i>centralized wastewater treatment</i>		\$25,000	\$25,000
Sewer Line Replacements	<i>Infrastructure:</i>	<i>wastewater collection/conveyance</i>	\$450,000		\$450,000
Dogwood Sewer Reline	<i>Infrastructure:</i>	<i>wastewater collection/conveyance</i>		\$350,000	\$350,000
Stormwater	<i>Infrastructure:</i>	<i>stormwater</i>	\$200,000	\$200,000	\$400,000
Knuckle Boom Truck	<i>Revenue Replacement:</i>	<i>general revenue replacement</i>	\$225,000		\$225,000
Unassigned Infrastructure		NA		\$100,000	\$100,000
Public Safety					\$535,000
Police Cars	<i>Revenue Replacement:</i>	<i>revenue replacement</i>	\$150,000		\$150,000
Violence Intervention Officer	<i>Social Determinants of Health:</i>	<i>community violence interventions</i>	\$125,000	\$125,000	\$250,000
Fire Equipment	<i>Revenue Replacement:</i>	<i>revenue replacement</i>		\$75,000	\$75,000
FD Generators	<i>Revenue Replacement:</i>	<i>revenue replacement</i>	\$60,000		\$60,000
Community Vitality					\$605,000
Community Theatre Façade	<i>Negative Economic Impacts:</i>	<i>aid to tourism, hospitality, travel</i>		\$100,000	\$100,000
Downtown Façade Program	<i>Negative Economic Impacts:</i>	<i>small business economic assistance</i>	\$100,000		\$100,000
Playgrounds	<i>Social Determinants of Health:</i>	<i>healthy childhood environment</i>		\$225,000	\$225,000
Employee bonus	<i>Premium Pay:</i>	<i>public sector employees</i>	\$58,000		\$58,000
Employee bonus	<i>Revenue Replacement:</i>	<i>revenue replacement</i>	\$72,000		\$72,000
Unassigned Community		NA		\$50,000	\$50,000
			\$1.444m	\$1.250m	\$2.690m

Investment in Infrastructure (58%)

Infrastructure spending is the largest category in this plan. Infrastructure spending aligns with the Clinton Strategic Work Plan's focus area: Sound and Sustainable Infrastructure. The city is responsible for the operation and maintenance of millions of dollars in infrastructure assets including water and sewer utilities and local streets and related stormwater infrastructure. Our infrastructure spending needs dwarf the total ARP allotment to the city. As just one example, a preliminary engineering report identifies more than \$10 million of improvements at the sewer plant alone. Logically, infrastructure is the largest spending area in the plan.

- Purchase of energy efficient electric motors at the sewer plant.
- Replacement of about 5 sections of sewer line. The lines were determined based on the previously completed asset inventory which indicates the age and condition of the pipes. Determinations were also based on which areas have the most sewage backups and service issues.
- Slip lining rehabilitation of the main sewer line running between Dogwood Circle and the Faircloth Freeway. This is the main line into the sewer plant, is very old, and serves a large swath of the city.
- There are mixed signals as to which stormwater expenses will be eligible. This plan calls for two staggered investments in storm drainage infrastructure. The City is conducting a feasibility study to explore creating a separate stormwater fund sustained by separate stormwater fees. If City Council approves creating a stormwater fund, these investments could help provide startup funding for a new stormwater fund.
- The city operates two knuckle boom or grapple trucks to collect yard waste. The oldest of the two trucks is essentially a legacy model at this point and finding parts has become a significant challenge.
- The plan sets aside \$100,000 in unassigned infrastructure spending to address future opportunities and needs or possibly cover unanticipated overages in other expenditures.

Investment in Public Safety (20%)

Providing for the safety of the general public is a primary service and responsibility of the City and typically accounts for nearly half of general fund spending in any given year. Public safety spending aligns with the Clinton Strategic Work Plan's focus area: Welcoming Neighborhoods and Public Spaces. Accordingly, this plan provides for additional spending to compensate for reduced expenditures during the pandemic and bolster the Clinton Police Department's crime prevention efforts.

- Three police cars deferred from the FY21/22 operating budget*
- A violence intervention officer funded through 2026. CPD will create an investigator position to focus on proven violence intervention strategies.
- The Fire Department deferred spending on SCBA "air packs" worn by firefighters as well as some equipment needed for the fire station.
- Our fire stations are not fully powered by backup generators. Station 21 has an undersized generator that only provides lighting in portions of the building and Station 22 has no permanent backup power. This plan provides backup power for both fire department facilities.

Investment in Community Vitality (22%)

Spending on community vitality aligns with the Clinton Strategic Work Plan's focus area: Enhanced Quality of Life.

- The City of Clinton owns the historic theatre building on Fayetteville St. and leases the facility to the Sampson Community Theatre, a local non-profit. In 2020, the city worked with the theatre group to renovate the lobby and restrooms in the building. There are still significant renovation needs at the facility including the front exterior façade. The plan includes funding to repair the theatre façade.
- The City of Clinton's downtown Municipal Service District (MSD) has a long running façade improvement program. This plan provides additional funds to the façade improvement program to increase the City's cost share with program applicants who are investing in buildings downtown.
- The plan calls for a significant investment in neighborhood playgrounds to promote childhood health in our community. The funding will provide new play equipment at all city parks by replacing old equipment or expanding play opportunities.
- The plan calls for a one-time bonus for city employees. City employees worked throughout the COVID-19 pandemic to provide essential services and the city continues to compete with other employers to recruit and retain a top tier workforce.
- The plan sets aside \$50,000 in unassigned community vitality funding to address future opportunities and needs or possibly cover unanticipated overages in other expenditures.

Spending Phases

The plan identifies two spending phases in part because the city will not receive the second tranche of funding until summer 2022. The city will also need to pace this spending due to simple administrative capacity as many of these projects require varying degrees of active administration and oversight.

Next Steps

The first tranche of the City ARP funds have already been received and placed into a dedicated project ordinance by City Council. The City Council will hold a budget workshop in January to review our Strategic Work Plan and Capital Improvement Plan. During this meeting, the staff and City Council typically discuss large capital purchases and other large initiatives and shifts in operations. Staff plan to further discuss this preliminary spending proposal at that time. Spending of the ARP funds could commence as early as February 2022. *

*City Manager authorized the purchase of 3 police cars using ARP funds as depicted in this plan. During the development of the FY 21/22 budget, these cars were deferred from operating budget with the Council agreeing ARP funds would be used to purchase the vehicles.