

CITY OF HIGHLAND

FINANCE/PERSONNEL SUBCOMMITTEE AGENDA

Special Meeting
July 2, 2024 at 11:30 AM
City Hall Upright Conference Room
27215 Base Line, Highland CA 92346

SUBCOMMITTEE MEMBERS

Larry McCallon, Member
District 5

John P. Timmer, Member
District 4

STAFF

Carlos Zamano, City Manager/Public Works Director/City Engineer
Lawrence Mainez, Community Development Director
Leticia Nava-Cruz, Director of Administrative Services/City Treasurer
Lissette Nock, Deputy City Clerk
Michelle Gomez, Assistant Director of Administrative Services

MISSION STATEMENT

Highland is dedicated to the betterment of the individual, the family, the neighborhood and the community. The City Council and the staff of Highland are dedicated to providing the quality of public facilities and services that its citizens are willing to fund and will do so as efficiently as possible.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance, please contact the City Clerk's office at (909) 864-6861, ext. 226, prior to the meeting for any requests for reasonable accommodations, including interpreters.

Any disclosable public records related to an open session item provided to the majority of the Subcommittee after posting of this agenda are available for public inspection at Highland City Hall, 27215 Base Line, Highland, during normal business hours and available online at www.cityofhighland.org.

FINANCE/PERSONNEL SUBCOMMITTEE
July 2, 2024 - 11:30 a.m.

CALL TO ORDER

PUBLIC COMMENT

Submission of Public Comments for ITEMS ON THIS AGENDA ONLY: For those wishing to make public comments by email, please submit your comments by email to be read aloud at the meeting. Email comments must be submitted by 10:30 a.m. on July 2, 2024, to publiccomment@cityofhighland.org. If you are submitting a public comment pertaining to an item on the July 2, 2024 agenda, please identify the agenda item number in the subject line. Members of the public will be permitted to make public comments in person.

BUSINESS ITEMS

1. Minutes - May 14, 2024 Meeting
RECOMMENDATION: Approve the Minutes as submitted.
2. Resolution No. 2024-_____ Establishing Employee Salaries
RECOMMENDATION: That the Subcommittee:
 - 1) Review and approve the item be brought forward to the City Council regarding Resolution No. 2024-_____ establishing employee salaries; and
 - 2) Adding the classification of Associate Engineer.
3. Amendment to Title 5, Chapter 5.04 Sections 5.04.160 and 5.04.240 of the City of Highland Municipal Code (Business License)
RECOMMENDATION: That the Subcommittee:
 - 1) Review and approve the item be brought forward to the City Council to introduce and conduct a 1st and 2nd reading and subsequently adopt Ordinance No. _____ amending sections 5.04.160 (License Fee-Payment Due Dates) and 5.04.240 (Penalty for Delinquency-Action to Collect) of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code establishing a single annual business license fee renewal date;
 - 2) Amending penalties and procedures for collecting penalties for delinquent business license fees; and
 - 3) Making a finding of exemption under the California Environmental Quality Act.
4. State and Local Fiscal Recovery Funds (SLFRF) Through the American Rescue Plan Act (ARPA) 1st and 2nd Installments Recommended Use Allocation Changes
RECOMMENDATION: That the Subcommittee review and approve the item be brought forward to the City Council regarding project allocation changes to ARPA recommended uses.

ADJOURN

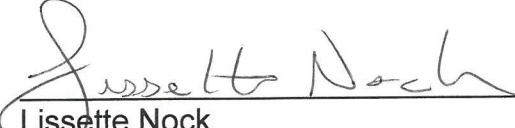
I, Lissette Nock, Deputy City Clerk, of the City of Highland, California, certify that I caused to be posted this Agenda on or before the 27th day of June, 2024, by 5:30 p.m. on our website at www.cityofhighland.org and in the following designated areas:

Highland Branch Library
7863 Central Avenue

Fire Station No. 1
26974 Base Line

City Hall
27215 Base Line

Date: June 27, 2024



Lissette Nock
Deputy City Clerk



Business Item No.
1

STAFF REPORT

TO THE FINANCE/PERSONNEL SUBCOMMITTEE

DATE: July 2, 2024

FROM: Lissette Nock, Deputy City Clerk

SUBJECT: Minutes - May 14, 2024 Special Meeting

RECOMMENDATION: Approve the minutes as submitted.

CALL TO ORDER

The Finance/Personnel Subcommittee special meeting was called to order at 5:00 p.m. in the Upright Conference Room, 27215 Base Line, Highland, California.

ROLL CALL

Present: McCallon, Timmer
Absent: None

PUBLIC COMMENT

None

BUSINESS ITEMS

1. Minutes - May 6, 2024 Closed Session Meeting
Approved the Minutes as submitted.
2. Appropriations Limits 2024/2025
The Subcommittee:
 - 1) Reviewed and approved the item be brought forward to the City Council regarding the Appropriations Limit for Fiscal Year 2024/2025; and
 - 2) Reviewed and approved the item be brought forward to the City Council regarding amending the Appropriations Limit for Fiscal Year 2024/2025.
3. Investment Policy Fiscal Year 2024/2025
The Subcommittee reviewed and approved the item be brought forward to the City Council regarding the Annual Statement of Investment Policy for Fiscal Year 2024/2025.
4. City Treasurer Authority
The Subcommittee reviewed and approved the item be brought forward to the City Council regarding the authority of the City Treasurer, pursuant to Government Code Section 53607.
5. CFD 2007-1 Annual Tax Levy Fiscal Year 2024/2025
The Subcommittee reviewed and approved the item be brought forward to the City Council regarding the Annual Special Tax Community Facilities District No. 2007-1 for Fiscal Year 2024/2025.
6. CFD 2001-1 Annual Tax Levy Fiscal Year 2024/2025
The Subcommittee reviewed and approved the item be brought forward to the City Council regarding the Annual Special Tax Community Facilities District No. 2001-1 for Fiscal Year 2024/2025.

7. CFD 90-1 Annual Tax Levy Fiscal Year 2024/2025

The Subcommittee reviewed and approved the item be brought forward to the City Council regarding the Annual Special Tax Community Facilities District No. 90-1 for Fiscal Year 2024/2025.

8. Co-Sponsorship of Special Events

The Subcommittee:

- 1) Reviewed the costs of the City Co-Sponsorship Special Events; and
- 2) Recommended the Redlands Bicycle Classic (RBC) item be brought forward to the City Council for consideration to discontinue the waiver of fees.

ADJOURN

There being no further business, the meeting was adjourned at 5:12 p.m.

Submitted by:

Approved by:

Lisette Nock
Deputy City Clerk

Subcommittee Member



STAFF REPORT

TO THE FINANCE/PERSONNEL SUBCOMMITTEE

DATE: July 2, 2024

FROM: Carlos Zamano, City Manager *CZ*

PREPARED BY: Leticia Nava-Cruz, Director of Administrative Services/City Treasurer *LNC*

SUBJECT: Resolution No 2024-____ establishing employee salaries.

RECOMMENDATION: That the Finance/Personnel Subcommittee review and approve the item to be brought forward to the City Council regarding Resolution No. 2024-____ establishing employee salaries and adding the classification of Associate Engineer.

FISCAL IMPACT: The total fiscal impact of adding this position will be \$165,309 (Salary of \$121,536 & Benefits of \$43,773). This position is already budgeted for under the Senior Civil Engineer position.

PUBLIC NOTICE: The agenda for this item was posted at the three required locations per Resolution No. 2011-047 and on the City's website.

BACKGROUND: The Engineering Department is having a difficult time hiring for the Senior Civil Engineer position. Staff is proposing creating the position of Associate Engineer. This would allow the City to bring in a lower-level engineering staff member that would be able to fill the void while the Engineering Department develops a restructuring plan in the next budget cycle. The Associate Engineer will manage small and mid-size land development projects and serve on a team to manage large and complex projects. The duties include, but are not limited to, responding to inquiries from realtors, developers, engineers, and general public; attending meetings with developers; preparing conditions of approval; review plan checks performed by City's consultant engineer for completeness and conformance with City standards, codes, department policies, and conditions of approval; and provide complex assistance to the Assistant Public Works Director and City Engineer.

Staff is proposing that the salary range for this position be A-step of \$8,331 per month (\$99,972 annually) and E-step of \$10,128 (\$121,536 annually). Salary and benefits calculated at the top E-step is \$165,309 (\$121,536 Salary & \$43,773 benefits). All steps are separated by 5%.

Attachments:

1. Proposed Resolution No. 2024-____

Attachment 1

Proposed Resolution No. 2024-_____

RESOLUTION NO. 2024-

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HIGHLAND, CALIFORNIA,
ESTABLISHING EMPLOYEE SALARIES**

WHEREAS, the City Council of the City of Highland has determined it is necessary for the efficient operation and management of the City that salary ranges be established for employees; and

WHEREAS, the City Council recognizes that it competes in a market place to obtain qualified personnel to perform and provide municipal service, and that compensation and conditions of employment must be sufficiently attractive to recruit and retain qualified employees.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Highland does hereby resolve to:

1. Add the salary range for the following position effective July 10, 2024.

<u>Position Title</u>	<u>Minimum</u> <u>Monthly</u>	<u>Maximum</u> <u>Monthly</u>
Associate Engineer	\$8,331	\$10,128

PASSED, APPROVED AND ADOPTED this 9th day of July 2024.

Penny Lilburn, Mayor

Attest:

Alondra Muñoz, City Clerk



STAFF REPORT

TO THE FINANCE/PERSONNEL SUBCOMMITTEE

DATE: July 2, 2024

FROM: Carlos Zamano, City Manager

PREPARED BY: Leticia Nava-Cruz, Director of Administrative Services/City Treasurer *LNL*

SUBJECT: Amendment to Title 5, Chapter 5.04 sections 5.04.160 and 5.04.240 of the City of Highland Municipal Code (Business License).

RECOMMENDATION: That the Finance/Personnel Subcommittee recommend that the City Council introduce and conduct a 1st and 2nd reading and subsequently adopt Ordinance No. ____ amending sections 5.04.160 (License Fee-Payment Due Dates) and 5.04.240 (Penalty for Delinquency-Action to Collect) of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code establishing a single annual business license fee renewal date and amending penalties and procedures for collecting penalties for delinquent business license fees and making a finding of exemption under the California Environmental Quality Act.

FISCAL IMPACT: None.

ENVIRONMENTAL REVIEW: Staff has determined that the Ordinance is not subject to the California Environmental Quality Act ("CEQA") because it is not a project within the meaning of the CEQA Guidelines Section 15378(b)(5) and 15061(b)(3) as it has no potential for physical effects on the environment because it is an organizational or administrative activity of the City that involves amending the renewal date for and penalties for delinquent payment of business license fees. Pursuant to CEQA Guidelines Section 15378(b)(5), organizational or administrative activities of governments that will not result in any physical changes in the environment, is not defined as a "project" under CEQA. Therefore, approval of the fees and/or charges is not a "project" for purposes of CEQA, pursuant to CEQA Guidelines Section 15378(b)(5); and, even if considered a "project" under CEQA, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that approval of the fees and/or charges may have a significant effect on the environment.

PUBLIC NOTICE: The agenda for this item was posted at the three required locations per Resolution No. 2011-047 and on the City's website.

BACKGROUND: The attached Ordinance amends sections 5.04.160 and 5.04.240 of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code. The purpose of the Ordinance is to streamline the business license term to run from January 1 through December 31 for each business license holder in order to establish a single, consistent time frame for all businesses, reduce confusion for residents and reduce staff processing times for business licenses.

The Ordinance provides that annual business license fees shall be payable to the City on January 1 of each year. To transition existing and new businesses to the new business license term, the Ordinance prorates business license fees for businesses established after the adoption of the Ordinance and businesses whose license renewal fees are due in the calendar year following the adoption of the Ordinance. Prorated fees are based on the calendar quarter of the year the business is established or the renewal fee is due. After the first year of prorated fees, all annual fees will be due and payable on January 1 of each year.

The Ordinance also amends the penalties and procedures for delinquency to assess a late fee for every 30 days a license fee remains unpaid, up to 90 days, with no more than 2 late fees assessed. After 90 days of nonpayment, the license will be considered expired, and the City may pursue code enforcement and other remedies available under the Municipal Code.

The Ordinance further provides that the City may issue a courtesy notice to businesses prior to the date license fees are due and prior to the imposition of any late fees or penalties; however, failure to provide a courtesy notice does not relinquish a business from the penalties imposed for delinquent payments, nor the requirement to renew the business license.

Attachments:

1. Proposed Ordinance No. _____

Attachment 1
Proposed Ordinance No. _____

ORDINANCE NO.

AN ORDINANCE OF CITY OF HIGHLAND, CALIFORNIA, AMENDING SECTIONS 5.04.160 (LICENSE FEE - PAYMENT DUE DATES) AND 5.04.240 (PENALTY FOR DELINQUENCY - ACTION TO COLLECT) OF TITLE 5 (BUSINESS LICENSES AND REGULATIONS) OF THE HIGHLAND MUNICIPAL CODE ESTABLISHING A SINGLE, ANNUAL BUSINESS LICENSE FEE RENEWAL DATE AND AMENDING PENALTIES AND PROCEDURES FOR COLLECTING PENALTIES FOR DELINQUENT BUSINESS LICENSE FEES AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Highland ("City") requires all persons who conduct any business in the City to obtain a business license and pay the appropriate license fee; and

WHEREAS, business licenses must be renewed, and appropriate license fees must be paid, annually, and licenses fees other than annual fees must be paid monthly, weekly, or daily, as applicable; and

WHEREAS, pursuant to Section 5.04.160 of the City's Municipal Code, businesses established prior to when Chapter 5.04 (Business Licenses Generally) was enacted must pay their annual fees each year on the date the ordinance was enacted, while businesses established after the adoption of the ordinance enacting Chapter 5.04 must pay their annual fees on the first day of the month following the anniversary date on which their license was originally payable; and

WHEREAS, failure to pay annual fees by their renewal date results in late fees and penalties for delinquency pursuant to Section 5.04.240; and

WHEREAS, the City provides business license holders a courtesy invoice thirty (30) days prior to the license renewal date to remind license holders of the need to renew their license;

WHEREAS, if the annual fee remains unpaid thirty (30) days after its renewal date, the license holder must pay a \$25 late fee. After sixty (60) days of nonpayment, the license holder must pay an additional \$25 late fee. After ninety (90) days of nonpayment the business license expires; and

WHEREAS, the City provides business license holders a courtesy invoice when a late fee has been added to the license; and

WHEREAS, the City processes approximately 200 to 300 license renewals each month; and

WHEREAS, tracking permit renewals with varying due dates requires considerable staff time; and

WHEREAS, Section 5.04.170 authorizes the City to establish alternative license periods for business on a fiscal year, calendar year or other basis if necessary for administrative purposes; and

WHEREAS, streamlining the business license term to run from January 1 through December 31, with all licenses expiring and payments due on December 31 of each calendar year, establishes consistent time frames for all businesses, reduces confusion for residents, and significantly reduces staff processing times; and

WHEREAS, to aid in the transition to a single business license term, businesses established prior to the effective date of this Ordinance shall pay a prorated license fee and thereafter shall conform to the new term; and

WHEREAS, the City desires to codify its courtesy invoicing practice.

THE CITY COUNCIL OF THE CITY OF HIGHLAND DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds that all of the facts set forth in the Recitals above are true and correct.

Section 2. The City Council hereby amends subsection A of section 5.04.160 (License fee- Payment due dates) of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code in its entirety to read as follows:

"5.04.160 License fee - Payment due dates.

A. Annual Fees. Annual business license fees set forth in this Chapter shall be due and payable to the city on January 1 of each year. All licenses, unless otherwise provided in this chapter, shall be issued for an annual period.

1. Annual Fees for New Businesses. For businesses established after the adoption of the ordinance enacting this section, annual business license fees shall be due and payable on the date the business is established and shall be prorated as follows for payment of the first annual license fee. Thereafter, fees shall be due and payable on January 1 of each year:

- a. Businesses established in the first calendar quarter of the year (January 1 through March 31) will pay the full fee.
- b. Businesses established in the second calendar quarter of the year (April 1 through June 30) will pay three-fourths of the full fee.
- c. Businesses established in the third calendar quarter of the year (July 1 through September 30) will pay one-half of the full fee.
- d. Businesses established in the fourth calendar quarter of the year (October 1 through December 31) will pay one-fourth of the full fee.

2. Annual Fees for Existing Businesses. For businesses established prior to the adoption of the ordinance enacting this section, renewal of annual business license fees shall be due and payable as follows in the calendar year during which the ordinance was enacted. Thereafter, fees shall be due and payable on January 1 of each year.

- a. Renewals expiring in the first calendar quarter of the year (January 1 through March 31) will pay the full fee.
- b. Renewals expiring in the second calendar quarter of the year (April 1 through June 30) will pay three-fourths of the full fee.
- c. Renewals expiring in the third calendar quarter of the year (July 1 through September 30) will pay one-half of the full fee.
- d. Renewals expiring in the fourth calendar quarter of the year (October 1 through December 31) will pay one-fourth of the full fee."

Section 3. The City Council hereby amends section 5.04.240 (Penalties for delinquency - Action to collect) of Title 5 (Business Licenses and Regulations) of the Highland Municipal Code in its entirety to read as follows:

"5.04.240 Penalties for delinquency - Action to collect.

A. Penalties for Delinquency. Any person engaging in business in the city who fails to pay the appropriate business license fee shall be subject to the following penalties:

1. For failure to pay or renew a license fee when due, the collector shall add a late fee penalty, in an amount set by resolution of the City Council, on the day following the last day of each consecutive 30-day interval following the due date while the license fee remains unpaid.

2. The city shall only assess two late fees in total, each on a consecutive 30-day interval following the date the license fee was originally due. The city shall consider the license expired if the fee remains unpaid on the day following the ninetieth day after the due date.

3. For failure to secure a license to engage in business, the license fee due and payable shall be that amount due and payable from the first date the person engaged in business, together with applicable penalties provided in subsections (A)(1) of this section;

4. For failure to pay the amount which was actually due, it shall be deemed that to the extent of the deficiency, there was a failure to pay a license fee when due. Nothing in this subsection shall be construed to apply to any person when the deficiency is the result of an error by the collector in calculating the amount of the license fee due and when such error is not the result of misrepresented facts supplied to the collector by any such person.

B. Notice of Delinquency. The city will make every reasonable effort to provide a courtesy notice to businesses prior to the date of renewal and imposition of any late fees or additional penalties added pursuant to this section. Failure to provide a courtesy notice shall not relinquish any business from the requirement to apply for a business license renewal or from payment of any penalties for delinquency imposed by this section.

C. Action to Collect. Notwithstanding subsection (A)(1) of this section, should a court action be required to collect any license fee and/or penalties, an additional penalty shall be charged equal to the cost incurred by the city for the court action, including attorney fees. All penalties shall be added to the license fee and shall become due and payable along with the delinquent license fee."

Section 4. Environmental Review. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA"). The adoption of this ordinance is not a project within the meaning of the CEQA Guidelines Section 15378(b)(5) and 15061(b)(3) as it has no potential for physical effects on the environment because it is an organizational or administrative activity of the City that involves amending the renewal date for and penalties for delinquent payment of business license fees. Pursuant to CEQA Guidelines Section 15378(b)(5), organizational or administrative activities of governments that will not result in any physical changes in the environment, is not defined as a "project" under CEQA. Therefore, approval of the fees and/or charges is not a "project" for purposes of CEQA, pursuant to CEQA Guidelines Section 15378(b)(5); and, even if considered a "project" under CEQA, is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that approval of the fees and/or charges may have a significant effect on the environment.

Section 5. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance be declared unconstitutional or invalid for any reason, such declaration shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrase or clauses be declared unconstitutional on their face or as applied.

Section 6. Effective Date. This Ordinance shall be effective thirty (30) days after its adoption by the City Council of the City of Highland.

Section 7. Publication. The City Clerk is hereby ordered and directed to certify the passage of this Ordinance by the City Council of the City of Highland, California and cause the same to be published in accordance with State law.

Section 8. Actions to effectuate. The City Manager is hereby authorized and directed to take other actions on behalf of City, which are not expressly and specifically reserved for the City Council, to implement and effectuate this ordinance.

The Ordinance was introduced at a regular meeting of the City Council on the _____ day of _____, 2024, and adopted at a regular meeting of the Council held on the _____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

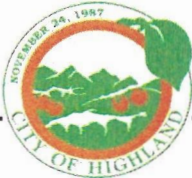
ABSTAIN:

APPROVED AND ADOPTED this _____ day of _____, 2024.

Penny Lilburn
Mayor

ATTEST:

Alondra Muñoz
City Clerk



STAFF REPORT

TO THE FINANCE/PERSONNEL SUBCOMMITTEE

DATE: July 2, 2024

FROM: Carlos Zamano, City Manager *CZ*

PREPARED BY: Leticia Nava-Cruz, Director of Administrative Services/City Treasurer *LNC*

SUBJECT: Use of State and Local Fiscal Recovery Funds (SLFRF) through the American Rescue Plan Act (ARPA). 1st and 2nd installments recommended use allocation changes.

RECOMMENDATION: That the Finance/Personnel Subcommittee review and approve project allocation changes to ARPA recommended uses.

FISCAL IMPACT: None. Only reallocating between projects.

PUBLIC NOTICE: The agenda for this item was posted at the three required locations per Resolution No. 2011-047 and on the City's website.

BACKGROUND: On March 11, 2021, The American Rescue Plan Act was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and to contain impacts to communities, residents and businesses.

The SLFRF funding through ARPA provided a total of \$350B for economic relief. Highland's portion of this was two installments of \$7,447,553.50. Currently ARPA#1 has a balance of \$281,067 and ARPA#2 has a balance of \$5,940,688. Below are the uses that have been approved in the past by Council and the Finance Subcommittee along with the remaining balances in each category.

1-Public Health 1.4 Prevention/Mitigation in Congregate Settings-this category included expenditures related to the renting of park fencing and ventilation improvements at all city facilities. Remaining Balance ARPA#1-\$89,924.

1-Public Health 1.5 Personal Protective Equipment (PPE)-this category included cleaning supplies, hand sanitizer, hand sanitizer stations, Clorox wipes, gloves, gowns, masks, etc. It also included Hazard Cleanup. Remaining Balance ARPA#1-\$76,609 and ARPA#2-\$15,000

1-Public Health 1.8 Communications/Enforcement-this category included City Attorney services advising the city with emergency declarations, re-opening orders, enforcement of health orders, and mainly reviewing new/updated policies and procedures mandated by the federal and state government. Remaining Balance ARPA#1-\$0 and ARPA#2-\$3,000

2-Negative Economic Impacts 2.9 Small Business Economic Assistance-this category included a small business grant program used with the CARES Act funding but increased the grant amount from \$2,500 per business to \$7,500 per business. Remaining Balance ARPA#1-\$0 and ARPA#2-\$0.

3-Public Health Negative Economic Impact Public Sector Capacity 3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety or Human Services Workers-this category included Fire, Police and Paramedics. Public Safety has been greatly affected by this pandemic and costs can be used to reimburse cities for their public safety contract personnel. Remaining Balance ARPA#1-\$0 and ARPA#2-\$1,233,421.

6-Revenue Replacement 6.1 Provisions of Government Services-this category included modernization of cybersecurity, including hardware, software, and protection of critical infrastructure. This category was modified in January 2022 and now also includes traditional new infrastructure such as bridges and roads. Revenue loss is the most flexible use category. Remaining Balance ARPA#1-\$114,534 and ARPA#2-\$4,689,267. It was previously recommended that the following projects use these funds:

<u>Project No.</u>	<u>Description</u>
Ich17004	SR-210 at 5 th Street Interchange
Brg07001	Base Line over City Creek Bridge
Sdr06002	Sycamore Storm Drain
Sig19001	Traffic Signal Modifications at 9 th Street & Lankershim Ave
Str17001	City Creek/Alabama Street Bikeway
Str07004a	5th Street Storm Drain Connection
Tra20001	Natural Parkland Trail

The deadline for all funds to be expended is December 31, 2024, unless contractually obligated by December 31, 2024, and expended by December 31, 2026. Any unused funds must be returned to the Treasury. The City is not in the position to contractually obligate the remaining funds by the deadline therefore funds must be expended by December 31, 2024.

This item was previously presented to the Council on October 11, 2022. The Council gave authorization to the Finance Subcommittee to move any funds as needed in the future within the approved categories. Staff recommends that the Finance Subcommittee approve that all remaining funds in ARPA#1-\$281,067 and ARPA#2-\$5,940,688 be allocated to the category 6.1 Revenue Replacement and expand the use of funds to all projects on the City's 5-year Capital Improvement Program. The Revenue Replacement category allows for the broadest use of the funds and the most flexibility and will allow the City to fully spend the money by the December 31, 2024.

Attachment #1 breaks down how staff proposes to use the funds within the Revenue Replacement category. Staff are also requesting that the Finance Subcommittee approve any unused funds within the Revenue Replacement category as of November 1st, 2024, be used for the purpose of Public Safety. This will ensure that we expend all funds by the deadline of December 31, 2024.

Attachments:

1. Recommended Uses of the SLFRF funds (ARPA#1 & ARPA#2)

Attachment 1
Recommended Uses of the SLFRF funds (ARPA#1 & ARPA#2)

State and Local Fiscal Recovery Funds (SLFRF) & American Rescue Plan Act (ARPA) Uses for ARPA #1

	1- Public Health				2-Negative Economic Impacts		6-Revenue Replacement	Total
	1.4 Prevention/Mitigation in Congregate Settings (Park Fences, Cubicle Dividers, Ventilation Improvements)	1.5 PPE	1.8 Communications/Enforcement (Legal)	1.9 Payroll Cost for Safety Staff Responding to Public Health Emergency	2.2 Household Assistance: Rent, Mortgage, and Utility Aid (Low-Income Mortgage Assistance)	2.9 Small Business Economic Assistance (\$7,500 ea.)	6.1 Provision of Government Services	
ARPA #1 Budget	325,000	94,827	2,728	5,537,500	-	1,312,500	175,000	7,447,555
ARPA #1 Expenditures	235,076	18,219	2,728	5,537,500	-	1,312,500	60,466	7,166,488
ARPA #1 Remaining Balance	89,924	76,609	-	-	-	-	114,534	281,067
ARPA#1 Suggested Allocation	-	-	-	-	-	-	281,067	281,067

*Must be obligated by 12/31/2024 & expended by 12/31/2026. If unable to contractually obligate then must be expended by 12/31/2024

Budget

Fiscal Year	Category	Account #	Purpose	\$
2024-2025	6.1	030-8495-4349	IT Related	114,534
2024-2025	6.1	030-8495-4560	Police Services	55,511
2024-2025	6.1	030-8495-4567	Paramedic Services	55,511
2024-2025	6.1	030-8495-4569	Fire Services	55,511
				<u>281,067</u>

Move all remaining balances over to 6.1 Revenue Replacement Category. This is the least restrictive category.

If approved plan to use for Council Chamber sound system upgrade and EOC system communication upgrades and Police and Fire.

State and Local Fiscal Recovery Funds (SLFRF) & American Rescue Plan Act (ARPA) Uses for ARPA #2

	1- Public Health		3-Public Health Negative Economic Impact Public Sector Capacity	6-Revenue Replacement	Total
	1.5 PPE (Masks, hand sanitizer, wipes, cleaning materials, bio-hazard clean-up, etc.)	1.8 Communications/ Enforcement (Legal Services)	3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety or Human Services Workers (Contract)	6.1 Provision of Government Services	
ARPA #2 Budget	15,000	3,000	2,475,000	4,954,555	7,447,555
ARPA #2 Expenditures	-	-	1,241,579	265,288	1,506,867
ARPA #2 Remaining Balance	15,000	3,000	1,233,421	4,689,267	5,940,688
ARPA#2 Suggested Allocation	-	-	-	5,940,688	-

*Must be obligated by 12/31/2024 & expended by 12/31/2026. If unable to contractually obligate then must be expended by 12/31/2024
Budget

Fiscal Year	Category	Account #	Purpose	\$
2024-2025	6.1	030-8495-4560	Police Services	1,830,230
2024-2025	6.1	030-8495-4567	Paramedic Services	1,830,229
2024-2025	6.1	030-8495-4569	Fire Services	1,830,229
2024-2025	6.1	030-8495-4560	Police Services-O/T	150,000
2024-2025	6.1	030-8495-4349	IT Related	-
2024-2025	6.1	030-8495-6550	Public Works Projects	300,000
				<u>5,940,688</u>

Move all remaining balances over to 6.1 Revenue Replacement Category. This is the least restrictive category. If approved plan to use for the items listed above.