



Pinellas County

Staff Report

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Subject:

The American Rescue Plan Act Projects Phase 1.1 Revised Spending Plan and Fiscal Year 2022 Budget Amendment No. 22-01 to realign County received funds from the American Rescue Plan Act State and Local Fiscal Recovery Fund with the American Rescue Plan Act Projects Phase 1.1 Revised Spending Plan.

Recommended Action:

Approval of the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) Projects Phase 1.1 Revised Spending Plan to reallocate the County's ARPA-SLFRF allocation to more suitable and compliant projects and approval of Budget Amendment No. 22-01 to realign \$52,908,000.00 of the County's ARPA-SLFRF allocation within the ARPA Fund from the General Government cost center to various cost centers relating to projects listed in the ARPA Projects Phase 1.1 Revised Spending Plan.

This amendment is necessary to approve the ARPA Projects Phase 1.1 Revised Spending Plan as follows:

- Replaces three Pinellas County Utilities projects that have either alternate external funding or noncompliant contracts with four proposed projects dealing with water distribution and sewage collection and treatment.
- Amends budgets for seven transportation projects to reflect more accurate estimates based on information gathered from site visits.
- Removes the Consolidated CAD Project that has a noncompliant contract.
- Adds a new project that will transfer \$9,300,000 from ARPA SLFRF to the Sheriff's Office for operating expenses to free up monies in General Fund to pay for the two-year implementation of the Consolidated CAD Project.
- Provides funding for three projects in County Fire Districts.
- Adds five stormwater projects to improve stormwater quality allowing those funds to be reprogrammed toward transportation infrastructure projects.

The ARPA Projects Phase 1.1 Revised Spending Plan totals \$188,459,069.00, an increase of \$3,615,825.00. Changes are highlighted and located on the first page of the attached ARPA Projects Phase 1.1 Revised Spending Plan. The original Spending Plan is also attached for reference.

- The budget amendment realigns Fiscal Year (FY) 2022 appropriation of \$52,908,000.00 to various departments to allow for initiation of the ARPA Projects Phase 1.1 Revised Spending Plan.
- The funding will support projects associated with tranche 1 funding received after the adoption of the FY22 Budget.

Strategic Plan:

Ensure Public Health, Safety and Welfare

- 2.1 Provide planning, coordination, prevention, and protective services to create and enhance a safe, secure, and healthy community
- 2.2 Be a facilitator, convener, and purchaser of services for those in need
- 2.5 Enhance pedestrian and bicycle safety

Practice Superior Environmental Stewardship

- 3.2 Preserve and manage environmental lands, beaches, parks, and historical assets
- 3.3 Protect and improve the quality of our water, air, and other natural resources
- 3.4 Reduce/reuse/recycle resources. Including energy, water, and solid waste
- 3.5 Foster a sustainable and resilient community that is prepared for sea level rise and a changing climate

Foster Continual Economic Growth and Vitality

- 4.2 Invest in communities that need the most
- 4.3 Catalyze redevelopment through planning and regulatory programs
- 4.4 Invest in infrastructure to meet current and future needs
- 4.5 Provide safe and effective transportation systems to support the efficient flow of motorists, commerce, and regional connectivity

Deliver First Class Services to the Public and Our Customers

- 5.2 Be responsible stewards of the public's resources
- 5.3 Ensure effective and efficient delivery of county services and support
- 5.4 Strive to serve the needs of all Pinellas County residents and customer

Summary:

This budget amendment:

- 1) approves the ARPA Projects Phase 1.1 Revised Spending Plan;
- 2) aligns \$52,908,000.00 ARPA SLFRF from the General Government cost center to various cost centers related to the ARPA Phase 1.1 Revised Spending Plan projects.

This appropriation will cover ARPA Phase 1.1 Revised Spending Plan project costs anticipated in FY22.

Background Information:

After the adoption of FY22 budget, the County received tranche 1 of \$94,690,770.00 from the United States Treasury in ARPA SLFRF for uses consistent with that program. The County anticipates receiving tranche 2 in an equal amount for a total of \$189,381,540.00 to meet the pandemic response needs and rebuild a stronger and more equitable economy as the country recovers.

SLFRF are intended to: support urgent COVID-19 response efforts to continue to decrease the spread of the virus and bring the pandemic under control; replace lost public sector revenue to strengthen support for vital public services and help retain jobs; support immediate economic stabilization for households and businesses; and address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations. SLFRF are also specifically permitted to be expended to make necessary investments in water, sewer, and broadband infrastructure.

SLFRF funds must be obligated by December 31, 2024, and all SLFRF funds must be expended by December 31, 2026.

On October 26, 2021, the Board approved Resolution No. 21-121 recognizing and appropriating the \$94,690,770.00 of tranche 1. On January 11, 2022, the Board approved Resolution No. 22-03 which provided conceptual approval of the Spending Plan to complete the Recovery Plan and for the ARPA SLFRF Projects Phase 1 to proceed.

Subsequent to the approval of the Spending Plan, the Mobile Home Communities Wastewater Collections Systems Improvements project received a Resilient Florida grant for the full amount of its \$25.6MM budget.

Furthermore, the Utilities-sponsored Advanced Metering Infrastructure and Pump Stations Backup Power projects were found to have contracts that did not comply with applicable federal law.

Pinellas County Utilities proposed removing the three projects from the ARPA Spending Plan and replacing them with the following projects:

- o Septic to Sewer - \$10,000,000
- o South Cross Bayou Dewatering Improvements & South Cross Bayou Denitrification Filter Rehabilitation (one construction contract) - \$20,450,000
- o A new project replacing the water distribution system for the Mobile Home Communities that are receiving new wastewater collection systems - \$13,900,000

These changes result in an aggregate reduction in the Utilities' allocation of the ARPA Spending Plan of \$67,100,000 by \$22,750,000 to \$44,350,000.

In addition, the budgets of several sidewalk and drainage projects were updated with more accurate estimates based on site visits. The increase to the transportation projects' budgets is \$1,384,756.

The previously approved Consolidated Computer Aided Dispatch (CAD) project sponsored by Safety and Emergency Services was found to have a contract that was solicited without the requisite terms and conditions required by federal statute. OMB is proposing to remove this project and replace it with a new project transferring \$9,300,000 to the Sheriff's Office for operating expenses, which would free up the General Fund to pay for the two-year implementation of the Consolidated CAD project. The result is an increase to the ARPA Spending Plan of \$4,800,000.

OMB and Safety and Emergency Services is also recommending funding Fire Districts as follows:

- o Palm Harbor Fire Station 68 - \$2,500,000
- o Pinellas Suncoast Construction of Fire Station 28 Mainland - \$1,000,000
- o Replace Squad 65 in Palm Harbor - \$600,000

Public Works is recommending funding the following additional stormwater projects that will mitigate flooding and improve water quality:

- o Roosevelt Ch 5 - \$4,100,000

- o Baypointe Regional Stormwater - \$4,000,000
- o Mullet Creek Channel B Stabilization - \$1,900,000
- o Stormwater Management Facility M10 Starkey - \$2,600,000
- o South Myrtle Avenue Drainage Improvements - \$2,900,000

Taking into account all the proposed changes, the ARPA Spending Plan will increase by \$3,615,825.00 to \$188,459,069.00, which is \$922,474.00 less than the County's allocation of \$189,381,543.00.

Budget Amendment No. 22-01 realigns \$52,908,000.00 in ARPA funding to develop budgets for projects included in the ARPA Projects Phase 1.1 Revised Spending Plan using current market rates due to the fiscal impact on goods and services because of COVID-19 and to meet the funding requirements of the Uniform Guidance standards.

Fiscal Impact:

This Budget Amendment reallocates \$52,908,000.00 within the ARPA Fund to various department and project budgets for the ARPA SLFRF Phase 1.1 Projects listed in attached Budget Amendment for project costs anticipated in FY22.

Staff Member Responsible:

Chris Rose, Director, Office of Management and Budget

Partners:

N/A

Attachments:

Budget Amendment