

02-09-2022 Town Council Meeting Responses to Council Questions

ITEM #10: Discuss FY 2021 Excess Fund Balance Appropriation

Council Question:

Is the \$500,000 earmarked for a splash pad intended to cover construction, planning or some combination of each? Or is it simply a placeholder amount whose specific uses are not yet known?

Staff Response:

\$500,000 could be utilized for the planning and design of one or more splash pads in the parks system in addition to potentially installing splash features at one park location and/or securing portable splash or misting options which could be utilized as soon as this summer.

Preliminary findings on anticipated costs related to the construction of a splash pad are: feasibility study - \$15,000, wading pool conversion at AD Clark - \$300,000, destination splash pad - around \$1 million depending on size. Depending on the option selected, additional funds could be needed to supplement these funds. This funding could come from the American Rescue Plan, 2/3 bonds, or pay-go CIP.

Council Question:

Where are we with the STR monitoring/enforcement software we discussed last year? If we don't already have it, might it be purchased with this funding?

Staff Response:

Staff continue to research the best platform for launching a Short-Term Rental (STR) permit. We are exploring using our existing online permitting portal as well as those provided from STR-dedicated enforcement software companies. We hope to launch a permit this spring. Staff will then spend the spring and summer doing public outreach, making sure that STR operators are aware that a permit is required and providing direction on how to apply for the permit. Per the new STR ordinance, STR operators shall receive a permit and come into compliance with the new ordinance by December 23, 2022. Staff submitted a budget add for \$30,000 (based on quotes from vendors) for this purpose in the FY 2022 budget cycle. This purchase could be made with the excess fund balance appropriation.

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Council Question:

I know we have identified the backlog of parks and rec facility repairs as a priority for funding - have we already identified a funding source for that or should we consider it for these funds?

Staff Response:

Council allocated \$1,155,000 in two-thirds bonds in April 2021 for parks and recreation projects. The projects that were funded were:

- *Cedar Falls Park Tennis Complex Reconstruction – Remove the current tennis courts and reconstruct the complex to improve drainage; project would include five tennis courts, four junior courts, new LED lighting, fencing, walkways and amenities.*
- *Hargraves Park Tennis Court Improvements – Resurface existing tennis courts, replace fencing, and install LED lights.*
- *Ephesus Park Technical Assessment and Tennis & Pickleball Courts – Conduct engineering assessment of current complex conditions and subsurface conditions to produce recommendations and cost estimates on options for how to effectively address existing issues and a short-term repair option of the noted issues.*
- *Hargraves Park Playground Surface Replacement – Repair the poured in place surfacing that is cracked and install curbing for playground user safety.*
- *AD Clark Pool Improvements – Replaster pool shell to allow the pool to remain open.*
- *Hargraves Center Ballfield Renovation – Regrade to improve drainage, including the addition of drain lines and irrigation, replace bleachers and fencing; improve and install ADA accessible paths or sidewalk to ballfields.*
- *Umstead Park Basketball Court – Resurface and restripe basketball court surface, add new goals, and add retaining walls to minimize erosion.*
- *Homestead Aquatic Center Pool Improvements – Replaster pool shell at the two Homestead Aquatic Center pools and conduct related improvements*

Parks identified several capital project needs in the 5-year budget strategy. The list includes projects that would typically be funded with pay-go CIP (small parks projects, playgrounds, greenways, and cemeteries of about \$370,000/year) and those that would be funded with some type of financing (larger projects including: Ephesus Tennis & Pickleball courts, Cedar Falls synthetic turf replacement, Skate Park ramp replacement, and Meadowmont Park Dam replacement) for a total of \$3.6 million. These projects would be part of the larger conversation that staff will have with Council at the Council Retreat when we discuss capital planning & future debt capacity.

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Council Question:

Given the focus in the previous item on bike/ped safety, what are the recommendations to fund those priorities?

Staff Response:

The 5-year budget strategy identified projects broken out into three categories: 1) Sidewalks \$2.98 million; 2) Bike Facilities & Greenways \$7.04 million; and 3) Bike-Ped Safety measures \$150,000/year. Projects in categories 1 & 2 are typically funded with bond funds and in many cases have federal and/or state funding to help support the project. Projects in category 3 would be a good fit for pay-go CIP funding. However, there is currently no recurring funding source for bicycle and pedestrian facilities.

Council Question:

Provide information about whether we anticipate receiving any of the bipartisan infrastructure monies? If so, how much? Is there a timeline and what would that entail?

Staff Response:

The Infrastructure Investment and Jobs Act was signed into law by President Joe Biden on Nov. 15, 2021. This law (also known as the Bipartisan Infrastructure Plan) authorizes \$1.2 trillion in total spending, including \$550 billion in new funding to spend on hard infrastructure (rebuild roads and bridges, water infrastructure, resilience, internet, and more). In terms of new spending, the law authorizes:

- \$110 billion for construction, repair, and research for roads and bridges
- \$66 billion to upgrade and maintain the country's passenger and freight rail systems
- \$65 billion to update power lines, prevent hacking of the power grid, and provide clean energy
- \$65 billion to expand broadband in rural areas and in low-income communities
- \$55 billion for lead pipe replacement, chemical cleanup, and clean drinking water in tribal communities
- \$50+ billion to protect infrastructure from cybersecurity attacks and address flooding, wildfires, coastal erosion, other extreme weather events
- \$39 billion to upgrade public transit, create new bus routes, and increase accessibility for seniors and the disabled
- \$25 billion for upgrades and expansions of U.S. airports, control towers, and control systems

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- \$21 billion to clean up superfund and brownfield sites, abandoned mines, and old oil and gas wells
- \$17 billion for port infrastructure and truck emissions at ports
- \$11 billion to address highway, pedestrian, pipeline, and other safety areas
- \$8 billion for western water infrastructure including mitigating drought conditions
- \$7.5 billion for a nationwide network of electric vehicle charging stations
- \$5 billion for electric school buses, primarily in low-income, rural, and tribal communities

Most of the funding is expected to pass through the U.S. Department of Transportation and either will be awarded to states annually based on a formula or disbursed through a competitive grant program. This year’s formula funding is expected to go out within the next six months, and the application process will open for some of the grant programs during the same period.

We do not yet know what the impact for the Town will be. We will continue to provide updates to Council as soon as we have additional information to share.

Council Question: Provide a table showing the alternative funding options identified for each item including whether the project would be eligible for ARPA or infrastructure monies.

Staff Response:

	ARPA Eligible?	Infrastructure Eligible?	Alternative Funding Sources
Climate Action Plan	Yes*	Unknown	Annual budget ½ penny allocation (\$470K)
Affordable Housing / Human Services	Yes*	Unknown	Annual budget allocation (AHDR; Human Services funding); general obligation bonds
Maintenance	Yes*	Unlikely	Annual budget
Vehicle Replacements	Yes*	Unlikely	Annual budget
Fire Engine	Yes*	Unlikely	2/3 bonds; pay-go capital

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Streets	Yes*	Unknown	Annual budget; 2/3 bonds; general obligation bonds
Department One-Time Adds	Yes*	Unlikely	Annual budget
Splash Pad - Placeholder	Yes*	Unlikely	2/3 bonds; Limited obligation bonds

*- Dependent on allowable use category (revenue replacement category allows the most flexibility to fund a project as long as it is allowed under NCGS to be carried out by a local government)

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Council Question:

It appears that the thinking behind this list was to make sure funding went to a variety of departments. If we were to think about it differently, what projects were taken off the list that might be higher priorities for other reasons? For instance, are there maintenance/repair/replacement projects that will be more expensive later or projects that can help increase efficiency/reduce costs that were set aside in order to balance across departments?

Staff Response:

The funding recommendations were developed to be responsive to Council guidance to primarily use these funds to address areas of the budget that have been underfunded and/or seen budget reductions in recent years. The funding recommendations are therefore weighted towards investments in Town facilities, infrastructure and vehicles. Revised Recommendation A includes \$3 million out of \$4.5 million allocated to these areas, while Revised Recommendation B includes \$2.75 million in these areas.

The Fire Engine replacement included in both of the Revised Recommendations is an instance where we learned that waiting even a few additional months to replace this engine, which is due for replacement, would result in an increased cost and extended timeline. Based on this, we've made adjustments to other areas in order to include it.

Council Question:

Has money already been set aside for repairs to the Hargraves pool and baby pool? If so, can you remind me how much?

Staff Response:

Originally, \$58,000 from two-thirds bonds issued in 2021 was allocated for repairs to the main pool at AD Clark Pool at Hargraves Park. However, the repair estimate came in at \$82,365, so staff will transfer additional funding from other two-thirds bond projects to complete the necessary repairs. This estimate does not include any funding allocation for enhancements to the area currently featuring the wading pool.