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DATE: September 2, 2021

TO: City Council

FROM: Spencer Nebel, City Manager

RE: Report for the September 7, 2021 Work Session at 4 PM

On Tuesday, September 7 at 4 PM, Council will be holding a work session followed by an Urban Renewal Meeting at 5 PM with the regular meeting at 6 PM. A light dinner will be served. Please contact Dorinda to place your dinner order. We are allowing 45 minutes for the Urban Renewal Meeting to give time between the end of the URA meeting and the beginning of the Council meeting. This work session will cover three general topics.

Discussion Regarding Draft Ordinance No. 2178, an Ordinance Regulating Single-Use Polystyrene and Plastic Food Items (20 minutes)

Attached is the draft ordinance which has been modified with several suggestions from Councilor Parker for discussion at the September 7 work session. If the Council comes to a consensus on these changes, a public hearing and potential adoption on this ordinance could be scheduled at the first meeting in October. Overall, I believe the ordinance is taking sufficient shape to proceed with the next steps once there is a consensus on how to proceed with the implementation of the ordinance. The only other option that the Council may want to consider is delaying the implementation of the first phase (if Council is agreeable to phasing in the other provisions) to allow a number of months for food service entities to utilize any existing inventory they may have. Many of our restaurants are independent operations, and in some cases, they purchase these types of supplies in substantial quantities. The Council can discuss the first phase of the implementation process during the work session to see if there is a desire to keep January 1 as the date or an alternate date.

Discussion Regarding Potential Night Closure of the Reservoir Gate (10 minutes)

A gate has been installed at the reservoir and Public Works is requesting that Council consider the possibility of closing the gate after certain hours. There would need to be a contract with TCB to handle this task. While there is a cost to maintaining the added level of security in the reservoirs, there is a risk of problems occurring that could impact the water and the reservoir after normal use times would be complete. If Council is comfortable considering this change, it may be appropriate to schedule a public hearing to receive any public comments on this change in operations to make sure there are not

any unanticipated impacts that have not been considered up to this point prior to making a decision on night closures of the reservoir road.

Discussion Regarding the Use of ARPA Funds (20 minutes)

City staff has been reviewing potential uses of the funding that the City has received and will be receiving through ARPA's Coronavirus State and Local Fiscal Recovery Funds. The City of Newport is anticipating receiving \$2.4 million in two separate installments. The City has received the first installment, with the second installment coming in approximately one year. There have been a number of guidelines that we have looked at as far as how these funds are utilized. These include:

1. Projects must be achievable within the deadline of December 31, 2024.
2. The expenditures must clearly meet the guidelines outlined for the expenditures of these funds by local units of government.
3. The funds should be used for projects that otherwise may be difficult to identify other sources of non-City funds to accomplish.
4. The funds be used for capital outlay, not operational issues, since these funds will be available to for a limited duration, and other sources of funds should be used to pay for operations that will continue beyond the window in which these funds will be available.

The funding can be utilized by local governments for the following purposes:

1. To respond to public health emergencies or its negative economic impacts, including assistance to households, small businesses, and non-profits, or aid to impacted industries tourism, travel, and hospitality.
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.
3. The provision of government services to the extent of the reduction of revenue due to COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and,
4. To make necessary investments in water, sewer, or broadband infrastructure.

It should be noted that any funds identified above in paragraph 3 can be re-utilized by the City for any appropriate government expenditures which can extend beyond the categories outlined above. At this point, I believe that we have been well-covered in previous federal funding for steps that we have taken regarding direct COVID-19 impacts to the City and with our small business grant programs, and I believe our focus should be on utilizing the funds for lost revenues, and making necessary investments in water, sewer, addressing homelessness and outdoor recreation for vulnerable communities should be the areas of priority for Council.

There are added restrictions on the water and sewer funds in that projects funded with these funds would need to be eligible for state revolving fund loan dollars. This will narrow down the list of eligible projects that we can pay for directly from the ARPA funds.

There are a number of projects that have been identified in our preliminary discussions which include a series of critical water and sewer infrastructure projects that are identified on the list supplied by Chris Janigo. These are projects in which we have not lined up other sources of funding, or where these funds would supplement funding that is available. In addition, the funds are available to serve the hardest hit communities and families, including investment to address individuals experiencing homelessness or affordable housing development and other similar actions. In other areas, promoting healthy childhood environments. A number of projects that would qualify for these funds would be contributing towards a more robust shelter for homeless individuals, utilizing funding for transitional housing, the development of an outdoor recreational soccer field at Agate Beach has been identified in both the State Parks Master Plan, as well as the City's Park Plan.

Furthermore, ARPA funds could potentially be used to accelerate the construction of the McLean Point pump station and force main improvements. I have included some preliminary information for your review. The decision on how we utilize these funds do not have to be made immediately. It is more important to have a reasonable plan that both the Council and the community is comfortable with in determining how the ARPA are used by the City. I have included a fact sheet on COVID-19 state and local fiscal recovery funds, as well as a list of projects from Engineering and information on the Agate Beach multi-purpose field concept for your review.

We will compile a draft working list of projects for review and will have an estimate of what percent of the funds can be used to replace lost revenue as defined in the law.

Respectfully,

A handwritten signature in blue ink, appearing to read "S. Nebel".

Spencer R. Nebel
City Manager