

City Council Agenda Memo

From: Ashley Rentsch, Deputy Finance Manager

Council Meeting: November 10, 2020 / November 24, 2020

Subject: Ordinance Authorizing Supplemental Appropriation #6 to the 2020 Budget – Parts 1-3

Person(s) Responsible: Erick Rangel, Chief Financial Officer; Ashley Rentsch, Deputy Finance Manager; Jackie Lanning, City Engineer; Mike Struck, Community Development Manager

Summary:

Part 1 will utilize a FEMA grant to for equipment and alternative projects. The amendment will increase the Engineering Department Furniture & Equipment Expense budget in the amount of \$26,000.00 for the purchase of a drone in the amount of \$15,279.99 to be used for pre-disaster inspections and post-disaster reconnaissance of areas difficult to inspect on foot or open areas in the floodplain. The remainder will be spent on other FEMA-approved alternative projects. Under the terms of the FEMA grant, 85% of the costs will be paid by the grant, and the City will be responsible for the remaining 15%. The City's portion will be funded by the City Manager's Contingency account.

Part 2 will increase the Library Department Capital Expenditure budget in the Public Improvements fund by \$100,000.00 for the purchase and installation of a boiler. This was a top priority replacement identified in the 2019 Facility Condition Assessment. As part of the budget staff identified City Council Priority Project Fund (CCPPF) as the funding source. Rather than transferring the full budgeted amount staff will bring forward amendments for actual amounts.

Part 3 will increase the Non Departmental Expenditure budget for miscellaneous expenditures related to COVID-19 and reimbursed by the South Dakota Local Government COVID Recovery fund. General Fund Revenues increase as reimbursements are received, offsetting the increase in expenditures.

Background:

Part 1 The City was awarded a grant from FEMA in the amount of \$25,785.55 to address underground damage. Due to a change in scope based on the extent of the damage, the actual project cost was \$4,379.43, leaving \$21,406.12 to fund 85% of costs incurred for approved alternative projects. Staff obtained authorization from FEMA to spend the funds on alternate projects. One of the authorized alternate projects was the purchase of a drone to use for inspection and reconnaissance of hard-to-reach

areas and open areas of the floodplain. Under the terms of the grant, the City is responsible for 15% of the cost associated with alternative projects, meaning the City must incur \$25,183.68 in costs to use up the remaining grant funds of \$21,406.12.

Part 2 The 2019 Facility Condition Assessment identified the boiler at the Library as a top priority replacement need. Community Development staff secured a proposal in the amount of \$95,166 from Johnson Controls, Inc. to complete this replacement before the end of 2020.

Part 3 The City of Brookings was allocated \$5,519,641 from the South Dakota Local Government COVID Recovery Fund. These funds are disbursed to the City on a reimbursement basis for approved payroll and operating expenditures. The COVID-19-related operating expenditures are being tracked in a designated account in Non Departmental Expenditures. To date, the City of Brookings has been authorized \$2,350,574.67 in reimbursements for public safety payroll and operating expenditures.

Item Details:

Part 1 The City of Brookings recently purchased a Phantom 4 RTK + D-RTK 2 Mobile Station Combo (drone) and accessories in the amount of \$15,279.99. This purchase was made following authorization from FEMA as an approved alternative project to utilize excess funding available after a previously approved project was completed and final costs were below the amount initially reimbursed to the City by FEMA. Under the terms of the grant, FEMA funds will reimburse 85% of these project costs, and the City is responsible for the remaining 15%. This means FEMA funding covered \$12,988.00 the drone, and the City's portion was \$2,291.99. Engineering Department staff is identifying other FEMA-approved alternative projects to utilize the remaining \$9,903.69 in funding.

Part 2 Community Development staff determined that it was not practicable to utilize competitive sealed bids for the Library boiler due to the additional cost of bid documents and available time to complete the work prior to heating season. Proposals were requested from three vendors. Johnson Controls, Inc. provided the lowest proposed price of \$95,166. Tessier's, Inc. submitted a proposal for \$106,960, and Midwest Mechanical did not submit a proposal. Staff is currently working with Johnson Controls, Inc. to complete this replacement before the end of 2020.

Part 3 The City of Brookings is authorized to submit COVID-19 related expenses to the State of South Dakota to be reimbursed by the South Dakota Local Government COVID Recovery Fund. This includes full payroll costs for public safety employees, as well as various operating expenses incurred due to the pandemic. At this point, the City has been reimbursed for \$2,135,856.37 in payroll expenses and \$214,718.30 in operating expenses, to include reimbursements for Brookings municipal Utilities and Brookings Health System. The City's COVID-related operating expenses are being tracked in a designated account as a Non Departmental expense. Reimbursements may be claimed for expenses incurred between March 1, 2020 and December 30, 2020. The City anticipates approximately \$500,000.00 in operating expenses to be incurred during the

reimbursement period and must increase the budget to account for these expenses. These expenses are offset by the receipt of reimbursements from the State of South Dakota.

Legal Consideration:

None.

Strategic Plan Consideration:

None.

Financial Consideration:

This Ordinance allows the City of Brookings to take advantage of excess FEMA grant funding to purchase a drone, authorizes the City to make a necessary boiler replacement at the Library, and grants spending authority to the City for reimbursable expenses incurred due to the COVID-19 Pandemic. Part 1 authorizes a transfer of \$4,593.88 from the City Manager's Contingency account, with the remainder offset by grant revenue received. Part 2 increases 2020 capital expenditures by \$100,000 for a necessary improvement funded by the CCPPF. Part 3 has essentially zero effect on the budget, as incurred expenses are offset by reimbursement revenue received.

A majority of this amendment capitalizes on funds available from alternative sources. The utilization of these funds further extends Brookings existing resources.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Deny
3. Amend
4. Move the item to a work session
5. Do nothing

Staff recommends approval of the ordinance as presented.

Supporting Documentation:

Memo

Ordinance