

**ARPA PROJECT  
SELECTION COMMITTEE  
Meeting Minutes  
October 6, 2021**

**Members Present:**

J. Arthur Leonard, Mayor  
Chris Bott, Vice Mayor  
Denise Bowden, Councilwoman  
John H. Tarr  
James M. West

**Members Absent:**

**Staff Present:**

Michael T. Tolbert, Town Manager  
Harvey Spurlock, Public Works Director

**Others Present:**

**1. Call to Order**

Mayor Leonard called the meeting to order.

**2. Public Comment**

There was none.

**3. Agenda Adoption**

Councilwoman Bowden motioned, seconded by Vice Mayor Bott to adopt the agenda as presented.

**4. Discussion of American Rescue Plan Act**

Town Manager Tolbert reviewed the basic plan. He advised the Town has received half of the allocation based on the 2010 Census population in the amount of \$1,491,430 of the \$2,982,860. This fund is to be used to cover the cost that: supports public health expenditures, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure. This gives a broader range of projects.

Town Manager Tolbert stated that the Interim Final Rule for NEUs was a law that was passed quickly. It is a guide, and the Treasury is giving guidance in the form of frequently asked questions. They have attended webinars and he added that there is no process to submit a project for approval to the Treasury Department. Therefore, each NEU (Non-Entitled Unit) must determine its own qualifications through the use of available guidance if a project qualifies for funding. He showed the GFOA calculator that focuses on loss revenue which is calculated on a base year and for the Town would be FY19. He showed the corrected revenue, which is removing all federal funds and all revenue from utilities and taxes from utilities. The Town's calculated growth is 5.2%. If the Town uses the items in the budget that were deferred or were not done because of

COVID19 those projects would qualify under the revenue reduction. They don't have to have anything to do with COVID19. He went through the budget from FY20 and FY21 listing all of the capital projects the Town did not do because they were afraid the budget would suffer. Because the projects were in the budget originally, they would qualify for funding from the \$487,000 in revenue reduction.

## **5. Review of Current Guidance**

Town Manager Tolbert highlighted the qualified projects. He reviewed some of the projects that have been brought up that would also qualify under the Clean Water Act. This includes improvement of drinking water infrastructure, cybersecurity for water infrastructure, construct publicly owned treatment works, modification to the treatment works, replace equipment, etc.

## **6. Review of Proposed Projects**

He advised they have a list for park projects. He explained that it lists park projects as it relates to qualified Census tracts. This means it is in areas that are economically depressed. He would not classify Chincoteague in this light. The Treasury recognizes that park use was increased during COVID19. They received extra maintenance during this extra use. This qualifies for ARPA funding. He asked if the Town could use the money to improve the facilities such as repaving parking lots, boat ramp, replacing roofs, replacing playground equipment, resurfacing and basketball and tennis courts. He is waiting on some guidance from some of the attorneys to see if they could do this. He feels these are considered maintenance and should qualify. They should remain on the list for consideration. Town Manager Tolbert reviewed the project list and items to consider under the guidelines. He explained that ARPA projects must be started by March 3<sup>rd</sup>, 2021, and all money has to be encumbered by December 31<sup>st</sup>, 2024, and money expended with work completed by December 31<sup>st</sup>, 2026. He continued reviewing the proposed projects and items.

Mayor Leonard stated that the majority of the public that spoke at the public hearing requested sewage. He advised that they are working on this.

They discussed the requests from the public hearing.

## **7. Committee Member Comments**

Mr. Tarr stated that the list looks like a Christmas list. He feels that some of the items could take place in the budget process. He feels the funds were given to the Town to see what kind of major impact they could have on water, sewer, drainage. He feels they should look a little harder at some of this. He wants to know in the items presented that it is spelled out to know what is covered under revenue loss and what does and does not qualify under the plan. He expressed his feeling on spending money on a desalination plan or test well. He suggested looking at key things like stormwater management, waterline replacement and possibly fiber to the door.

Mr. West supports some of the items that were postponed because of specific language in loss revenue. He stated that some of the items should be in a capital plan. He feels this is

a stretch and the public may feel it is as well. He commented that he has no idea what to do about central sewage. A lot of money has been spent for years and he doesn't know how to spend the money wisely.

Mayor Leonard stated that judging what the public was requesting, he feels they should look sewage that first. He stated that they had some things scheduled and could use the funds to complete those projects.

Mr. West stated that he would go with the guidance of the loss revenue because you can clearly make the connection. He advised that he asked Town Manager Tolbert what data they have to show how the businesses have suffered. He mentioned the Fire Company's request adding that they lost a lot of revenue for 2 years. This would be an easy number to capture. He added that they are a revenue generator. He commented on the desalination proposal.

There was discussion.

Mr. Tarr stated that what concerns him is that you get a desalination plant and it cost 4-5 times more a year to operate it. He then asked if ARPA will pay for studies.

Town Manager Tolbert stated that in further reading it does pay for engineering and design work, possibly not the preliminary work.

Mr. West stated that he read that as well.

Councilwoman Bowden stated that the majority of the people who spoke at the public hearing were in favor of sewage. She also stated that this is a prime opportunity to do this. She agrees with Mr. West that a few of the things listed shouldn't come out of ARPA funds. However, there is a lot of money coming in the 2<sup>nd</sup> draw and there is a lot more of the public that will see what they could do with the money. She stated that the small projects matter to the public. She wants to see some of this money go into the parks. She reminded that there is a public safety fund that can cover some items.

Vice Mayor Bott feels that sewage is a major concern and should be addressed. He agreed with Councilwoman Bowden that the parks and outdoor recreation items that almost always get put on the back burner could be completed. He stated that the water main project on Cropper Street needs to be done. He agreed that some of the things should be in the budget.

Mayor Leonard stated they talked about dry hydrants in some of the more remote areas of the Island where the water supply is narrowed. He asked if this would qualify for ARPA funds. He also suggested that increasing the size of pipes would help.

Town Manager Tolbert advised they should qualify under water infrastructure.

Mayor Leonard stated that they have narrowed it down to sewage, parks and improvements, water projects and stormwater management.

There were brief comments.

Town Manager Tolbert stated that he understands there were small items on the list. He explained that every dollar they put toward ARPA that was in the budget and was allowable takes pressure off the existing budget.

Mayor Leonard stated that when they put pavement in at the park, he suggested putting a sign that states “provided by the funds of the American Rescue Plan Act”. He feels it will go a long way. He stated that the Brianna’s Kindness Park equipment is covered, but the equipment at Memorial Park needs replacing. He asked the members to take what was said for the next meeting.

Town Manger Tolbert advised he will go through the list based on the comments and clarify what is covered getting some questions answered.

Councilwoman Bowden asked about a person at the public hearing asking for help for the non-profits. She suggested that if there is money left over, they could help the non-profits because they have suffered as well.

Mr. Tarr agreed that the non-profits have suffered, and any small amount could help. They do a lot for tourism and a big part of the community. He further commented on sewage.

There were further comments.

## **8. Adjournment**

Vice Mayor Bott motioned, seconded by Councilwoman Bowden to adjourn.

Unanimously approved.