

The special called work session of the City Council of the City of Newnan, Georgia was held on Tuesday, October 12, 2021 at 12:00 p.m. in the Richard A. Bolin Council Chambers of City Hall with Mayor Keith Brady presiding.

**CALL TO ORDER**

Mayor Brady called the meeting to order and delivered the invocation.

**PRESENT**

Mayor Keith Brady: Council members present: Rhodes Shell, George Alexander; Cynthia E. Jenkins, Ray DuBose, Paul Guillaume and Dustin Koritko. Also present: City Manager, Cleatus Phillips; City Clerk, Megan Shea; City Attorney, Brad Sears and ARPA Special Projects Manager Andrew Moody.

**DISCUSSION OF PRIMARY INTENDED USES FOR FIRST TRANCHE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS**

City Manager explained this is a follow up from a council item two weeks ago. There had been a discussion regarding the buckets for the ARPA funds but more time was needed to go through it and further discuss some of the guidelines, eligible uses and potential strategies.

Andrew Moody, ARPA Special Projects Manager introduced the program and gave a brief overview, explaining that it was intended to help provide relief from the COVID-19 pandemic. The City received \$7.7 million in July 2021 and in July 2022 will receive an estimated additional \$7.7 million however, Treasury reserves the right to change that amount so it's not guaranteed.

There are guidelines outlined by the Treasury as to how the City can use the money. These guidelines could also change at some point. All funds must be obligated by December 31, 2024 then funds must be expended by 2026. The Treasury has highly recommended that cities take their time in spending the funds and look at long range planning. Annual expenditure reports will be required.

Andrew went through each Treasury approved category for discussion.

**Public Health:**

This was designed to be in response to COVID. It is not limited to vaccinations and testing, it can also be used for things such as mental health and substance abuse. The Governor has established a payroll grant to be used for first responders which utilizes state ARPA funds and the City will be starting that process.

**Negative Economic Impacts/Services to Disproportionately Impacted Communities**

This category covers all purposes of negative economic impacts and services that you can provide households and education. Small Business and Nonprofit Aid can service all of the sub-categories within this category. There will be an application process, there are certain qualifiers outlined by the state for this.

Councilman Koritko asked if knocking property taxes to zero could qualify under this category. Mr. Moody explained that this is prohibited and is specifically stated in the ARPA guidelines. It was noted that there are overlaps in some of the sub-categories with other organizations that are already out there. City Manager stated that GMA has recommended to not use the funds for rent or mortgage assistance for example and to not duplicate existing programs.

**Premium Pay**

This is an option for up to \$13/hour to eligible essential employees. We also have the option to provide private sector grants to other employers for their employees, otherwise we can use for public sector employees. Councilman Koritko asked if we have given any of this pay to City employees. City Manager stated that no pay has been given with these funds but we did give pay last year with the CARES act funds.

There was a discussion as to how to utilize the premium pay and how that would affect the pension costs. GMA has stated that any increase given to employees through ARPA funds would count toward the pension calculation. Mr. Moody clarified that the grant for first responders in the public health category is not being considered as premium pay.

**Infrastructure**

This is the simplest category, specifically limited to sewerage, storm water, drinking water and broadband. Newnan Utilities has submitted a request with eligible items. Councilman Koritko suggested that since storm water has been a major issue for us for a long time, would it make sense to put as much as we can towards the storm water system? Councilman Alexander also asked about the destruction to the canopy/topography caused by the recent tornado, could these funds go toward that? City Manager explained that you can make improvements to the public storm water systems but private property is probably not eligible. Mayor Brady commented that one of the largest expenses with public infrastructure that we have is going to be 57 E. Broad St. and that would qualify as well.

Mr. Moody stated that it has been recommended to look at investing in "green infrastructure". That would include replanting of trees. The issue of private property could be addressed through non-profits.

**Revenue Replacement and Administrative Costs**

This is a very specific calculation being used at the Carl Vinson Institute and it will change each year. These funds can be used for any purposes under the general fund. They are much less restricted than other funds but restricted on how much you can use. You don't need to recalculate in 2022 for 2<sup>nd</sup> tranche.

There were more questions regarding increasing pay for employees and the impact that would have on retirement. City Manager explained that contribution now is 14% of payroll. Any increases will have a direct effect on pension contributions.

**LINC Path Continuation Idea**

Map was shown illustrating an area of the City where qualified census tracts are located and Treasury has defined that area as having qualified uses for funds. City Manager stated there is eligibility for outdoor recreation. Mr. Moody pointed out on the map what parts of the city qualify under revenue replacement and which ones qualify under negative impact.

Councilwoman Jenkins asked about non-profits assisting with tornado relief and if that would fall under Negative Impact? Mr. Moody explained that there is a specific application process under that bucket and we will have to screen those applications to see if they impact areas more proportionately than others and this is also a Treasury requirement.

**Q&A**

City Manager explained that the new resolution for ARPA funds amended section 1 to clarify and specify the roles and responsibilities of City Council, Mayor and City Manager per the Charter.

City Manager proposed that the City put out a call for project proposals from potential partners. This will help give a better idea of costs and needs. Some of the non-profits are also applying to the State for funds, can they apply for State and County and City funds? Can we require them to disclose what applications they have completed?

There was further discussion about restricting individuals verse businesses or non-profits to apply and should there be limits on the amounts given. Mr. Moody said there is an audit threshold of \$750,000. Applications can also come from the City Boards and Commissions.

GMA has recommended that a resolution be adopted to at least accept the ARPA funds at this point. Mayor Brady asked Council if all ok with doing this and putting out the call for project proposals? Councilman Koritko commented that if things get divisive he suggests sending the money back. Councilman Guillaume asked if an application is submitted for \$500,000 can they say yes but only give \$250,000? This is permissible but need to look at giving them enough for what they are trying to do.

The work session concluded with Council directing staff to prepare an application calling for project proposals and present a resolution to Council for the purpose of accepting ARPA funds at a future meeting.

**ADJOURNMENT**

Meeting was adjourned at 1:16pm.

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Megan Shea, City Clerk

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Keith Brady, Mayor