

SMITHVILLE BOARD OF ALDERMAN

WORK SESSION

November 17, 2020 6:00 p.m.
City Hall Council Chambers

Due to the COVID-19 pandemic this meeting was held via teleconference.

The meeting was streamed live on the city's FaceBook page.

1. Call to Order

Mayor Boley, called the meeting to order at 6:00 p.m.

A quorum of the Board was present. Mayor Boley and Alderman Chevalier were in attendance in the City Hall Council Chambers. Other Board members present via Zoom meeting: Alderman Sarver, Alderman Ulledahl, Alderman Atkins and Alderwoman Wilson. Alderman Bloemker was absent.

Cynthia Wagner, Jack Hendrix and Linda Drummond were in attendance in the City Hall Council Chambers. Staff present via Zoom: Nickie Lee, Chuck Soules, Chief Jason Lockridge, Matt Denton and Stephen Larson.

2. Annexation Update

Jack Hendrix, Development Director, indicated that in the packet there is an annexation update on the status of all Board of Alderman annexation priorities. Also, in the packet is the draft Voluntary Annexation Policy. Jack explained that this only pertains to voluntary annexation and not to involuntary annexation. Involuntary annexations are driven by the Board of Alderman and have a completely different set of rules that involve lawsuits and elections.

Staff has laid out a draft policy for voluntary annexations with a declaration of intent. Annexation priorities and policies are listed in the draft policy. Jack indicated that the hope that he and Cynthia have is for the Board to examine the draft policy and if there are any questions, or recommended changes to get them to staff. Staff would like to have direction from the Board to be able to proceed forward with the next step, which would be to bring the policy to the Board for approval.

Mayor Boley asked the Board if they had any issues or questions about the Voluntary Annexation Policy?

The Board all agreed to move forward with the draft policy as presented.

Jack said that staff will draft a Resolution for the December 1 meeting to adopt the Voluntary Annexation Policy.

3. Second Creek Bridge Options

Cynthia indicated that provided in the packet was a history on how the bridge came to be sitting on the property the City owns on the corner of Second Creek Road and 169 Highway and is now awaiting some type of disposition.

Two primary options seem to exist for utilization of the bridge: reuse as part of a city project or disposition by sale.

Reuse of the bridge could potentially occur with a future project. Staff estimates that costs relating to a move could range from \$25,000 to \$50,000 and potentially higher depending upon the location and logistics required. Additionally, any use on a waterway would require a hydrologic study to determine impact on water flow and state permits. Identification of use and storage would need to occur in this option.

The second option would be to identify the bridge as surplus and place it for sale. This could be accomplished by a bid process or by placing it on a website like govdeals.com or other sites. Staff has had inquiries over the past couple of years and there may be some interest in purchase. It is important to note that scrap metal prices are not what they have been previously, and the bridge may not bring much in disposition.

Finally, representatives from Emery Sapp and Sons have contacted the city regarding disposition of the bridge, indicating they have a potential use for the bridge on a project out of Missouri. They have indicated they will "take it off our hands," but have offered no compensation.

Staff is looking for direction from the Board as to the next steps.

Mayor Boley said he thinks we should let it go and just request to be told where it is being moved to so we can let the historical society know.

Alderman Ulledahl said he believed it should remain and be used as a walkway at Heritage Park to connect the park to the public housing area.

Mayor Boley said that constructing a new walkway bridge might be less costly and easier than trying to fit this bridge into that space.

Alderwoman Wilson said truthfully she was ready to get rid of it and thinks we should consider Emery Sapp and Sons first and if they do not take it then go to the second option and try to sell it on govdeals.com.

Alderman Atkins asked if we had to get rid of it? He said if we do not have a use for it, he would rather it be sold as opposed to giving it away for free.

Alderman Sarver asked about the historical society's interest?

Mayor Boley explained that they at one time had wanted to preserve it or make sure it was used somewhere in Clay County.

Alderman Sarver said he thinks we should sell it if we can.

Alderman Chevalier said he would like to do everything possible to try to keep it and maybe the historical society has some ideas for a use for it. He said if not then he agrees we should sell it.

Mayor Boley said that the historical society has no interest in doing anything with the bridge nor do they have the funding. He indicated that in moving forward with the Parks and Recreation Master Plan we should look at the possibility of a new walkway versus trying retrofit this bridge.

Alderwoman Wilson stated that she was afraid if we wait and try to sell it, we might miss the window of opportunity with Emery Sapp and Sons then we would have nowhere to go with it.

Cynthia said if the Board reaches a decision to dispose of it staff could reach out to Emery Sapp and Sons it let them know that the Board does want to dispose of it and see if they would be willing to make an offer.

Mayor Boley asked what the opening bid on govdeals.com could be set at and if there is a fee?

Linda Drummond, City Clerk, explained that you can set the opening bid at any dollar amount and the fee is paid by the buyer.

Alderman Chevalier asked if we would be in violation if we offered it to Emery Sapp and Sons and not put it out for bid?

Mayor Boley said in the original agreement with them for the construction of the new bridge we were going to have to pay them to haul it away.

Cynthia said that we could list it on govdeals.com and let Emery Sapp and Sons know so they would have the opportunity to purchase it once we have the declaration of surplus.

Mayor Boley asked if we could list it for a 10-day auction?

Cynthia said we could.

Mayor Boley asked the Board if they were in agreement with listing the bridge on govdeals.com for a 10-day auction?

The Board all agreed.

Cynthia said that staff will bring the declaration of surplus for approval at the December 1 meeting and if the Boards approved the bridge would be listed on govdeals.com on December 2.

4. Discussion of CARES Funding Allocation

Cynthia explained that there was a lot of information in the packet about our allocation and what we have expended our funds on. She reminded the Board that the remaining unexpended funds would need to be returned to Clay County December 30.

Cynthia indicated that on page 12 of the packet she had outlined the request information and staff's recommendations and what direction staff needs from the Board.

Staff Recommendation/Action Requested

In order to facilitate discussion and based on information from other Clay County communities, staff recommends the following relating to the \$492,021 remaining in the CARES fund at this time.

Reimbursement for Public Safety Salaries

As noted earlier, all public safety payroll related expenses are reimbursable through CARES funding. Since April 1, 2020, \$975,866.76 has been spent on Police Department payroll, all of which could be reimbursed. Payroll costs for the three-month time period of the stay home order totals \$418,200. Staff recommends that the city submit for reimbursement of this amount.

As noted in the memo to the Board regarding CARES for the October 17 work session, staff recommends that these funds remain in the CARES Fund to be used for COVID-related expenditures beyond December 30, 2020. Such expenditures could include, but are not limited to:

- additional utility and housing assistance grants administered through the NAC,*
- additional economic development grants should additional business interruptions occur through the winter months,*
- funding of vaccine administration for staff or residents should that be deemed a need,*
- reimbursement of the General Fund or Utility Fund for employee time off related to quarantine (to date, approximately \$16,000 has been spent on employee payroll hours in this area).*

Staff does recommend that any utilization of these funds be provided to the Board of Aldermen on a monthly basis for review and approval for use.

Should the Board concur with this recommendation, \$73,821 would remain for allocation.

Staff seeks the following direction:

- Does the Board concur with the public safety allocation reimbursement of \$418,200?*
- Does the Board wish to provide additional funding to the School District? If so, at what level?*
- Does the Board wish to provide funding for the Water District #9 request? If so, at what level?*
- Does the Board wish to return funds to Clay County? If so, at what level?*

Cynthia explained that there is \$492,000 remaining in the CARES fund after all the expenditures we have made from the original \$945,000 allocation. She stated that staff strongly recommends that the Board consider the piece of CARES funding that allows us

to reimburse ourselves for public safety costs. She noted that also included in the packet is a list of all of the other communities in Clay County and how they are utilizing that option basically to bridge the gap between what they have spent so far and what their total allocation is. The City's payroll cost for the Police Department for the three months of the stay-at-home order totaled \$418,200 and our public safety costs since April 1 is \$975,866, so some of the remaining CARES funds could be used to reimburse those costs.

Cynthia explained that the reimbursement funds are recommended to be retained in the CARES fund and staff would recommend that we draw down on those funds after the first of the year expenses are incurred. What is outlined in the memo is if there is an ongoing need for utility and housing assistance, economic development grants there may also be reimbursement for the general fund for staff being out sick related to COVID. Staff also recommends that the draw-down of those funds be approved by the governing body.

Staff has received requests from the community asking for assistance and would like direction from the Board for these requests. One request was received from Water District No. 9 for \$4,545.40. Another request was from the School District for assistance in equipment and other expenditures. The City has also recently learned that the School District made a submission to SEMA for FEMA funds for just under \$160,000 and received \$30,000 of that request and have remaining expenditures related to COVID at just under \$133,000.

There has also been ongoing discussion on the amount to turn back to Clay County. Cynthia noted in the packet it is staff's understanding that other communities in Clay County anticipate utilizing all of their CARES funds.

Mayor Boley asked the Board if they wished to fully fund the request for Public Water Supply District No. 9?

The Board all agreed to provide funding.

Mayor Boley stated that the School District request that he received this afternoon was \$132,637 but rounded the number up to \$133,000.

Wayne Krueger spoke on behalf of the School District. He said that this has been a very challenging year for them and gets more and more challenging every day. He said that trying to continue to operate as business as usual is not usual at all right now. The district continues to try to serve our community and our kids, but it is getting more and more difficult. Schools all around the area are starting to go back to more of a virtual model. All the cost as previously stated were submitted to FEMA for consideration under the Public Assistance Program. The school started incurring COVID costs in March and basically have continued to accumulate those costs including virtual learning, hand sanitizer, personal protection equipment, virtual teachers, etc. Wayne explained that they were under the impression that they would be funded but FEMA, on September 15,

changed the eligibility and they were only funded \$32,000 and the rest was denied. He said that previously, under the original program, it was all allowable but because we submitted after September 15, we were not able to count those items. He told the Board that any consideration would be much appreciated.

Alderman Chevalier said that he thought that funding the School District \$133,000 would be great, that a lot of communities are helping their school districts and we should do the same.

Alderman Sarver said he could not think of a better thing to use the money for.

Alderman Ulledahl said that in the packet it showed a total of \$268,410 and asked if that is the same request as the \$133,000?

Cynthia clarified that the \$268,410 was a direct allocation that the School District received from Clay County at the same time the City received our allocation.

Wayne stated that they received that during the last fiscal year and for everyone's knowledge they used 100 percent of those funds to purchase one-to-one technology so the kids would each have a personal computer for virtual learning.

Alderman Ulledahl said that granting their request of \$130,000 to \$135,000 sounds like a great way to spend it.

Alderwoman Wilson stated that she did a calculation on the funds that we have already spent and believes we only have \$462,021 left. She asked that Cynthia confirm the numbers. She explained that we have in fact overstated the total funds we have remaining by \$30,000 and she would recommend lowering the schools funding by \$30,000. She said that she would ask that because we do not know what is going to happen across the board with COVID and may need to fund small businesses again, etc.

Alderman Atkins said that even with the new surge we all know that is coming he would rather look at putting the money into the school for protection for our kids. He asked if the \$133,000 was enough to sustain the probably four to six months we have yet to come?

Wayne said that the original request number submitted to the City was \$159,152.89 and was for costs that have already occurred. He said that approximately \$88,000 of the cost is for virtual teachers and they will have that reoccurring cost in the second semester, it is not included in this request. He said they know they will have additional cost, but they do not know what the future will be, but they are anticipating that and will make it work.

Alderman Atkins said that he definitely does not want to return any of the CARES funds.

Cynthia went over the figures that were in the packet.

CARES Expenses Through 11/12/2020

	<i>Amount Board Authorized</i>
City Response Expenses	\$ 62,834
Legal review of policies, legislation	\$ 8,881
Additional Laptops/Equipment for work from home	\$ 33,227
Public Health Information (Utility Bill Inserts; signs)	\$ 1,278
Citywide PPE, Materials, Prevention, & Cleaning Supply Expenses	\$ 19,447
Employee FFCRA Leave Time (EPSL, EFMLA)	\$ -
City Mitigation Expenses	\$ 180,975
Citywide Automatic Kitchen / Bathroom Fixture replacements	\$ 107,657
Technology in Heritage Park for Livestream	\$ 30,332
Audio/Video Upgrades at City Hall to Enhance Remote Viewing	\$ 42,986
Small Business Grants	\$ 141,750
Small Business Grants	\$ 135,000
5% Administrative Fee	\$ 6,750
Utility and Housing Assistance Grants	\$ 26,250
Housing and Utility Assistance Grants	\$ 25,000
5% Administrative Fee	\$ 1,250
Community Needs	\$ 61,570
NRAD and SAFD Equipment	\$ 3,440
School District Reimbursement	\$ 58,130
Combined Total	\$ 473,379
Total Allocation	\$ 965,400
Amount Available	\$ 492,021

Figure 1 CARES Expenditures to date

Alderwoman Wilson said she thought the CARES funds from the County totaled \$945,400.

Cynthia said that she was correct, and the correct dollar amount of remaining CARES funds is \$472,021.

Alderwoman Wilson said she was good with giving the School District the full \$130,000.

Mayor Boley asked Wayne if the \$132, 637.13 amount was good?

Wayne said that it was and thanked the Board.

Mayor Boley asked the Board if they wanted to keep the remaining funds and not return them to Clay County?

Alderman Atkins – definitely keep
Alderman Sarver - keep

Alderwoman Wilson – keep but discuss how it will be allocated
Alderman Ulledahl – keep
Alderman Chevalier – keep and try to do some more small business grant and utility assistance.

Mayor Boley asked for the percentages.

Cynthia did the math for the remaining funds.

\$472,021	Remaining Balance
-\$132,617	School District
<u>-\$ 4,500</u>	Water District No. 9
\$334,904	City Reimbursement

This utilizes the entire remaining allocation balance.

Including prior allocations, the School District has received approximately 40% of our expenditures to date.

Community Response (small business grants, utility and housing assistance, ambulance and fire and the water district) received approximately 19%.

\$334,904 less approximately 35% unspent for future needs.

Mayor Boley suggested a rough guidance of allocating half towards small business grants and utility assistance type of grants and half towards salary reimbursement. If the Board needs to adjust that do to having more employees out sick it can be. He said he thinks this is a good guiding principle.

Cynthia explained that in saying we are going to reimburse ourselves for police salaries only means we have allocated those funds. Staff's recommendation would be that we not just put that into the general fund to reimburse ourselves. She said that many communities are doing that because they had significant revenue losses. That is also something we could look at doing as well, where we could use funds for revenue loss could be Municipal Court or Parks and Recreation programs where we have seen a revenue loss estimated at about \$80,000. Staff is recommending we leave it in the CARES fund and utilize those funds as necessary for continued COVID-19 costs. Staff's recommendation would also be any of that money would not be spent without direction and approval of the governing body. She said that in the memo it is noted that we have expended about \$16,300 because we have had more employees that have had to quarantine because of exposures or to be home with kids who have had exposures. She reported that to date we have had three employees who have tested positive and had to be out. Those were not anticipated expenditures when we put the budget together and those are the types of expenditures, we would like to reimburse ourselves for.

Alderwoman Wilson stated that she did not like the wording of the public safety allocation. She said to her that means the Police Department and would rather keep it

for employees with COVID that have to quarantine instead of them having to use their regular accrued sick time.

Cynthia said that is exactly what we would anticipate that money being used for. The allocation and reporting to Clay County for these to be qualified reimbursements would need to be reported to the county as public safety salaries.

Alderman Sarver asked even if we report it that way, would we still get to use the money different ways?

Cynthia said that we will because it will be ours to spend.

Mayor Boley explained that instead of putting the money in the general fund like some of the communities we are going to keep our in the CARES fund.

Cynthia said that funds will remain in the CARES fund until the Governing Body approves those expenditures.

Alderman Sarver asked if there would be some sort of audit to see where we spent that money?

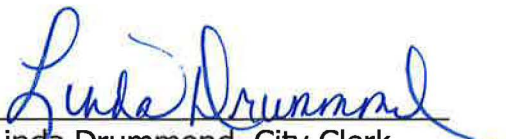
Cynthia explained that we will spend \$900,000 this year in public safety salaries. Tomorrow staff will be meeting with other communities to have discussion with them to see how they will be providing documentation of that information. Staff has also had ongoing discussions with our auditors and city attorney as well as to how we account for those funds.

Alderman Wilson said her concern with that is we have not been impacted like a lot of other communities have and our public safety expenses were already budgeted. She said we definitely need to keep that separate and be very careful how we allocate it.

5. Adjourn

Alderman Atkins moved to adjourn. Alderman Chevalier seconded the motion.

Ayes – 5, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:38 p.m.


Linda Drummond, City Clerk


Damien Boley, Mayor