

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

Date: 11/08/2023

Weekly Agenda Date: 11/14/2023

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Matthew Ung / Dennis Butler

WORDING FOR AGENDA ITEM:

Approval of reallocating \$941,000 ARPA Funds Standard Allowance to the LEC in order to assist in the completion of the new facility

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

The new Law Enforcement Center is nearing completion. Due to unforeseen additional work, above and beyond what was originally anticipated at the start of the project, there is a need to reallocate \$941,000 standard allowance from ARPA Funds to the Law Enforcement Center project.

BACKGROUND:

On January 18, 2022 the Board of Supervisors approved state and local fiscal recovery funds according to the Department of the Treasury's final rule to appropriate the intention of funds of up to \$10,000,000 to be used for funding assistance at the Law Enforcement Center.

On September 23, 2023 the Board of Supervisors approved to reduce the ARPA standard allowance to the new Law Enforcement Center from \$10,000,000 to \$9,059,000, accounting for the previous FY23 CIP transfer of \$941,000 funding for FF&E.

FINANCIAL IMPACT:

Reallocating \$941,000 standard allowance.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

Approve the reallocation of \$941,000 standard allowance to the Law Enforcement Center to assist in project completion.

ACTION REQUIRED / PROPOSED MOTION:

Motion by _____, second by _____ to approve reallocation of \$941,000 standard allowance to the Law Enforcement Center project to assist in the completion of the project.

Dennis Butler

From: Jason Comisky <jcomisky@Ahlerslaw.com>
Sent: Monday, November 6, 2023 5:08 PM
To: Dennis Butler
Cc: ron wieck
Subject: Woodbury County LECA
Attachments: AG Opinion (02274605x7F7E1).pdf; Authority (28) - Executed Legal Opinion (01785114x7F7E1).pdf; Authority - Executed Legal Opinion (01966213x7F7E1).pdf

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Dennis,

Per our call this morning and our follow up call this afternoon, we attach copies of the opinions that we gave as bond counsel to the Woodbury County Law Enforcement Center Authority (dated as of the date each series issued). The March 3, 2020 election authorized the Authority to issue its Law Enforcement Facility Revenue Bonds in an amount not exceeding \$50,300,000. On October 28, 2020, the Authority issued Taxable Law Enforcement Facilities Revenue Bonds, Series 2020, in the amount of \$25,300,000. On November 17, 2021, the Authority issued Law Enforcement Facilities Revenue Bonds, Series 2021, in the amount of \$25,000,000.

We also attach a copy of an Attorney General Opinion which addresses the question of whether the County may transfer funds from the General Fund to the Authority. In short, the AG concludes that the County may make such transfer if the Board of Supervisors deems it proper and appropriate in aiding the Authority to effectuate its purpose. In addition, Iowa Code Section 346.27(9)(j) specifically states that the Authority may "...accept donations, contributions, capital grants, or gifts from individuals, associations, municipal and private corporations, and the United States, or any agency or instrumentality thereof, and to enter into agreements in connection therewith."

Sincerely,

Jason L. Comisky
SHAREHOLDER



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WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

Date: 1/11/2022

Weekly Agenda Date: 1/18/2022

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Supervisor Matthew Ung

WORDING FOR AGENDA ITEM:

Approval to elect the \$10 million standard allowance permitted by the U.S. Treasury's ARPA Final Rule, and appropriating that \$10 million to completely fund the Law Enforcement Center and Administration Departments within the budget of the Sheriff's Office for Fiscal Year 2022-2023

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

On January 6, the U.S. Treasury published the long-awaited 437-page Final Rule regarding the State & Local Fiscal Recovery Fund (SLFRF) established under the American Rescue Plan Act (ARPA). I read it. Pages 239-243 lays out Treasury's rationale for allowing a one-time \$10 million "standard allowance" of recovery funds to be spent on government services.

The 44-page Overview states in bold on page 11, "Government services generally include ANY service traditionally provided by a government." It goes on to state "Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements."

Both the Overview and the Final Rule enumerate that government services may include "the provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)," and "General government administration, staff, and administrative facilities."

The Iowa State Association of Counties noted in an update: "The most significant piece of this final rule is the flexibility it gives local government."

BACKGROUND:

Here are some relevant excerpts from the Final Rule:

"The final rule delivers broader flexibility and greater simplicity in the program" (p. 6)

"The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount for government services." (p. 7)

"Treasury does not pre-approve uses of funds; recipients are advised to review the final rule and may pursue eligible projects under it." (p. 8)

"recipients will be permitted to elect a fixed amount of loss that can then be used to fund government services. This fixed amount, referred to as the 'standard allowance,' is set at \$10 million total for the entire period of performance..... Treasury intends to amend its reporting forms to provide a mechanism for recipients to make a one-time, irrevocable election to utilize either the revenue loss formula or the standard allowance." (p. 240)

"To ease the burden on recipients and account for anomalous variations in revenue, as mentioned above, Treasury has incorporated a 'standard allowance' option into the final rule. A recipient may choose to use the standard allowance, which under the final rule is set at \$10 million, as an alternative to calculating revenue loss according to the formula described above." (p. 246)

"Treasury's decision to elect to allow a fixed amount of loss that can be used to fund 'government services' allows recipients the flexibility to use minimal administrative capacity on the calculation if desired. The decision also benefits recipients by allowing them to avoid expending administrative resources to determine how unique variations in revenue interact with the revenue loss formula." (p.392)

FINANCIAL IMPACT:

- 1) Woodbury County currently has \$10,013,663 in SLFRF.
- 2) To date, no ARPA funds have been spent.
- 3) FY23 (proposed) operating expenses for the LEC Correctional Facility (\$8,134,265) and Administration (\$1,883,258) currently amount to \$10,017,514.
- 4) Appropriating \$10 million to FY22-23 budget for the Law Enforcement Center and Sheriff's Administration will cause the entire \$10 million to be spent over the course of that fiscal year, rather than using local property tax revenues. If said two departments within the budget of the Sheriff's Office do not spend this amount by June 30, 2023 (or if their proposed budgets are reduced by board action), then for simplicity of focus, I recommend the remainder be spent on the Crime Prevention budget (\$114,951 proposed for FY23), as mentioned in the proposed motion.
- 5) In May 2022, Woodbury County will receive another \$10,013,663 in SLFRF. The appropriate use of these funds, at that time, will not be eligible under the same revenue loss standard allowance, because it would have already been used. Therefore, these funds will need to be spent according to the Final Rule within the three remaining eligible categories, which are "Support the COVID-19 public health and economic response", "Provide premium pay for eligible workers performing essential work", and "Invest in water, sewer, and broadband infrastructure." This includes capital expenditures that support an eligible COVID-19 public health or economic response. Certain activists vehemently opposed to the plan to use part of this funding for COVID-19 mitigating improvements to HVAC systems should sit down, take a deep breath, open page 14, and read, much to their chagrin, under "Enumerated eligible uses" the fateful phrase "Ventilation system installation and improvement."
- 6) It is reasonable to use the \$10 million standard allowance now rather than after the second \$10 million is received by Woodbury County, because I am told by the jail construction manager that funds to cover the construction bid coming in over budget will not be needed until later in 2023.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

This is the most logical way to efficiently, expeditiously, and simply spend our current \$10 million in ARPA funds. By spending these funds on operating expenses of the county jail, and the salaries of the brave and underappreciated members of law enforcement who spend their workdays exclusively with those convicted of breaking our society's laws, we are spending these funds not only within the largest part of the budget, but on a legally mandated, morally required, fundamental function of government. We are not spending these funds on pet projects or selfishly trying to gain the most political points by handing the dollars out piecemeal. Instead, we are prioritizing the safety and security of the entire community by funding the jail for the next fiscal year.

ACTION REQUIRED / PROPOSED MOTION:

- 1) Motion by Ung, second by _____, to elect the standard allowance of \$10 million to spend on government services, as permitted by the U.S. Treasury's ARPA Final Rule.
- 2) Motion by Ung, second by _____, to appropriate \$10 million from current Fiscal Recovery Funds towards the Law Enforcement Center Correctional Facility, Administration, and Crime Prevention department budgets within the budget of the Sheriff's Office for Fiscal Year 2022-2023.

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

Date: 8/31/2023

Weekly Agenda Date: 9/5/2023

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Dennis Butler - Finance Director

WORDING FOR AGENDA ITEM:

Approval to reduce the ARPA standard allowance to the new Law Enforcement Center from \$10,000,000 to \$9,059,000, accounting for the previous FY23 CIP transfer of \$941,000 funding for FF&E

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

As the county has assumed the furniture, fixtures & equipment costs of \$941,000, the Board of Supervisors desires to reduce the standard deduction allocation from \$10,000,000 to \$9,059,000.

BACKGROUND:

On January 18, 2022, the Board of Supervisors passed by motion to allocate the standard deduction of \$10,000,000 using ARPA Funds to the Law Enforcement Center project. On December 6, 2022 the Board of Supervisors approved the furniture, fixtures & equipment expenditures from CIP Funds that would have come out of the standard deduction. Then on December 20, 2022 there was amendment #1 to the lease agreement to make this action official. After this was done, the board decided to use ARPA Funds for the FF & E.

FINANCIAL IMPACT:

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

Approval to reduce the standard deduction of \$10,000,000 to \$9,059,000. This will account for the \$941,000 transfer of funding.

ACTION REQUIRED / PROPOSED MOTION:

Motion by _____, second by _____ to reduce the \$10,000,000 standard deduction to \$9,059,000 which will account for the transfer of funding FF & E in the amount of \$941,000.

Law Enforcement Center Project
Financial Recap Summary
November 9, 2023

Total Resources of Revenues:

| | | |
|---------------------------------|------------|------------|
| Voter Approved Bond Issue | 50,300,000 | |
| Bond Premium | 4,060,414 | |
| City of Sioux City Contribution | 375,000 | |
| Woodbury County - Site Prep | 717,863 | |
| ARPA Standard Deduction | 9,059,000 | |
| ARPA - New Facility Projects | 4,200,000 | |
| | <hr/> | |
| Total Sources of Revenues | | 68,712,277 |

Total Expenditures & Obligations:

| | | |
|-------------------------------------|------------|------------|
| Expenditures as of November 9, 2023 | 63,130,812 | |
| *Contractuals Obligations still due | 4,933,146 | |
| | <hr/> | |
| Total Expenditures & Obligations | | 68,063,958 |

Funds Available for Completion of LEC Project

648,319

***Contractuals Obligations still due:**

| | | |
|----------------------|-----------|-----------|
| Hausmann Contract | 4,798,858 | |
| Goldberg Contract | 40,288 | |
| Baker Group Contract | 94,000 | |
| | <hr/> | |
| Total Due | | 4,933,146 |