



Agenda Abstract

BOARD OF COMMISSIONERS

Meeting Date:	Oct. 9, 2023
Department:	Administrative Services
Agenda Section:	Consent
Public hearing:	No
Date of public hearing:	N/A

PRESENTER/INFORMATION CONTACT

Budget Director, Emily Bradford

ITEM TO BE CONSIDERED

Subject: American Rescue Plan Update and Proposed Transfer for Reimbursements

Attachments:

1. Memorandum - ARPA Water and Sewer Personnel Reimbursements
2. ARPA Transfers Worksheet
3. Fiscal Year 2023 Fund 30 Salaries Expenditure Report
4. Proposed Budget Amendments for ARPA/CSLFRF salaries reimbursement in Fund 30 for Fiscal Year 2023
5. Grant Project Amendment – ARP Galvanized Water Main Replacement
6. Grant Project Amendment – ARP Hydrant and Valve Project
7. Grant Project Amendment – ARP Lawndale Basin Rehabilitation
8. Grant Project Amendment – ARP McAdams Road Water Main Replacement
9. Grant Project Amendment – ARP Water Treatment Plant SCADA Update
10. Grant Project Amendment – ARP Water Treatment Plant Paving and Curbing Repair
11. Grant Project Amendment – ARP Wastewater Treatment Plant Clarifier Coatings
12. Grant Project Amendment – ARP Transfer to Water and Sewer Fund
13. Grant Project Amendment – Galvanized Water Main Replacement
14. Grant Project Amendment – Hydrant and Valve Project
15. Grant Project Amendment – Lawndale Basin Rehabilitation
16. Grant Project Amendment – McAdams Road Water Main Replacement
17. Grant Project Amendment – Water Treatment Plant Paving and Curbing Repair

Summary:

New guidance has been issued to reduce the administrative burden for those receiving less than \$10 million in ARPA funding. Under the new guidance, the School of Government and NC League of Municipalities are encouraging municipalities to use ARPA funds to reimburse themselves for prior expenses, then use the funds freed up by the reimbursement to fund the projects they had originally planned to allocate ARPA funds toward.

The town has allocated its funds toward water and sewer projects, each of which would need to meet various compliance and reporting standards. Switching to the reimbursement approach means that the remaining ARPA funds would be spent all at once, be subject to only one compliance and reporting process, and ensure all funds are obligated and spent ahead of their respective deadlines.

Reimbursing for FY23 Water & Sewer Fund salaries would exhaust the remaining ARPA funds. Then, the town could appropriate fund balance to fund the capital projects that were originally planned to be paid for with ARPA funds. Since these funds would no longer be considered federal funds, these projects would not be subject to the same

compliance and reporting requirements, reducing the administrative burden on staff. The net impact of these changes to the Water & Sewer Fund is zero.

Financial impacts:

The current balance of unspent ARPA funds and accumulated interest is \$2,022,647.40. The funds will be transferred from the ARPA Grant Project Fund (Fund 77) to the Water & Sewer Fund (Fund 30) to reimburse FY23 Water & Sewer Fund salaries, temporarily increasing the fund balance by the same amount.

Water & Sewer fund balance will then be appropriated to fund the remaining capital projects originally identified for ARPA funding. All previously unallocated funds (accumulated interest, original unallocated funds, and surplus funds from completed projects) will be allocated to the Hydrant and Valve project, which has anticipated expenditures beyond the ARPA allocation amount. This allocation will reduce the amount of operating revenue needed to fund the FY25 phase of this project by \$87,647.40.

Staff recommendation and comments:

Recommend approval and adoption of all project and grant ordinances, ordinance amendments, and budget amendments associated with these ordinances.

Action requested:

Approve/adopt all project and grant ordinances, ordinance amendments, and budget amendments associated with these ordinances.