



Office of the Town Manager  
Christopher E. Martino

**Warrenton Town Council**  
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Brett Hamby, Ward 3  
James Hartman, Ward 4 Vice Mayor  
Jay Heroux, Ward 5  
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Renard Carlos, At Large

# STAFF REPORT

<b>Council Meeting Date:</b>	October 11, 2022
<b>Agenda Title:</b>	ARPA Project Status Update
<b>Requested Action:</b>	Review only
<b>Department / Agency Lead:</b>	Finance Department
<b>Staff Lead:</b>	Stephanie Miller, Director

## EXECUTIVE SUMMARY

The Town of Warrenton received \$10,403,180 in Coronavirus State and Local Fiscal Recovery (CSLFRF) funding under the American Rescue Plan Act (ARPA). This work session will review all items appropriated to provide a status update.

To date, \$6,798,668 has been expended or appropriated. The attached **ARPA Spending Plan – Project Status Update** provides a listing of projects budgeted for ARPA funding, the amount expended or encumbered to date, any amount that can be released or reallocated, and the remaining balance.

Appropriations through September 2022 are summarized below:

- During FY22, \$52,026 was spent for the ARPA Financial Coordinator and the beginning of the Classification and Compensation Study.
- As part of the FY2023 Budget adopted on June 16, 2022, Town Council appropriated \$2,101,642 for various projects and expenditures. *(The Classification and Compensation Study was kicked off in FY22 and \$5,000 was expended for that effort. The full \$50,000 was reappropriated in the FY23 budget.)*
- At the September 13, 2022 Council meeting, \$4,650,000 was appropriated for Water and Sewer projects and ADA improvements. Council will conduct a work session in November focused on the Water and Sewer projects.

Staff has identified several items valued at \$134,994 that can either be covered by the adopted FY23 operating budgets or can be reallocated. As such, the ARPA appropriation may be decreased and used for other projects as Council desires. These items include:

- Fitness Class Live Streaming, which is no longer a requested service for Parks and Recreation. As in person classes have resumed, the need for live streaming has diminished.
- Public Works capital projects that can be worked into the improvement schedule within the FY23 adopted general fund operating budget or may not be necessary now.

- Sidewalk Construction can be accomplished within the existing budget.
- Improvements such as high visibility painting and additional signage have already been implemented for the Pedestrian Crossing – Blackwell & Moorhead and Pedestrian Crossing Improvements projects that seem to be working well.
- The Refuse Trucks budget amount was not updated for the latest quote in the final budget adoption resolution. The \$9,502 overrun can be covered by the reallocation of funding from other projects listed above.

## **BACKGROUND**

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The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021 and established the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). The intent of ARPA is to address the consequences of the pandemic and to assist communities in moving forward. The CSLFRF provides funds for governments to meet these types of local needs.

Final guidance for the administration of the funding was issued by U.S. Treasury in January 2022. Staff provided a presentation to Council at the February 8, 2022 work session to review the final rule and eligible use categories. That presentation is attached to this agenda item for reference.

The deadline to expend or obligate CSLFRF funding is December 31, 2024. If projects are obligated by that date, spending may continue to December 31, 2026.

## **STAFF RECOMMENDATION**

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Staff recommends that Council consider releasing the ARPA funding for the following CIP Projects:

- T-23-003: Sidewalk Construction - \$18,260
- T-23-005: Pedestrian Crossing – Blackwell & Moorhead - \$96,236
- T-23-002: Pedestrian Crossing Improvements - \$25,000

### **Service Level / Policy Impact**

Since the procurement of goods and services with ARPA funding triggers Uniform Guidance requirements, moving smaller projects back into the General Fund eases the administrative burden, reduces liability of potential non-compliance, and enables the Council to devote ARPA funding towards projects that better align with the intent of the program.

### **Fiscal Impact**

ARPA funds do not require a match of local funds. If funds are not spent or obligated by December 31, 2024, then they must be returned to the U.S. Treasury.

If Council chooses to move these projects into the FY 2023 General Fund operating budget, the balance of ARPA funding left to allocate will be \$3,078,598.

**Legal Impact**

From a regulatory standpoint, the use of ARPA funds requires compliance with the U.S. Treasury Final Rule and Uniform Guidance (2 CFR Part 200) for procurement. The expenditure of this funding triggers annual Single Audit requirements and makes us a subrecipient subject to monitoring by the Commonwealth of Virginia to ensure compliance with all applicable laws and regulations.

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**ATTACHMENTS**

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1. ARPA Spending Plan - Project Status Update
2. ARPA Presentation – Project Status Update (October 11, 2022)
3. ARPA Presentation – Final Rule (February 8, 2022)