



## MEMORANDUM

To: Saint Anthony Village City Council  
From: Shelly Rueckert, Finance Director  
Date: June 14, 2022 City Council Work Session  
Request: American Rescue Plan Act (ARPA)

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### BACKGROUND

Initial ARPA guidance on eligible costs was limiting in the options available for the City's use of funds. The City's use of ARPA funds for the rehabbing of the Water Tower fit within the guidelines with a broad benefit to residents and businesses. The City Engineer's estimated cost project cost was \$690,000-\$750,000. That amount was within the range of funds preliminary projected for ARPA.

Since that time the amount of ARPA funds available has been established at \$984,960. Also, final ARPA guidance was issued on April 1, 2022. This final guidance expanded the eligible uses for Cities receiving less than \$10 million. Attached is the pertinent slide from the US Treasury's presentation highlighting the changes that benefit smaller recipients. The Treasury recommended that all small recipients to use the \$10 million revenue loss standard allowance which simplifies reporting and retains and expands eligible uses. City Staff has followed that recommendation in its initial report filed on April 30, 2022.

Staff has reassessed the City's intended use of ARPA funds in light of these recent changes in guidance. Eligible uses now include spending on Public safety vehicles (Fire and Police) and stormwater infrastructure. The City's resources used to support these expenditures are not as significant as the resources available to fund the water and sewer infrastructure projects. Therefore, Staff is recommending the ARPA funds are redirected to support:

- Harding Pond Stormwater Pond project – Estimated costs \$275,000-\$325,000 (Preserves available stormwater funds for additional stormwater projects -Foss Rd Ditch, Water re-use tank cleaning etc.)
- New Fire Truck – Estimated costs \$725,000 (Eliminates Financing)

The water sewer infrastructure fund would support the cost to rehab the Water tower. The water sewer infrastructure fund has also benefited from connection fees due to redevelopment. The fund received \$521,900 in connection fees in 2021 and is expected to receive \$425,000 in the 2022-2023 timeframe.

### DISCUSSION ITEMS FOR COUNCIL FEEDBACK

Below are the specific items for discussion and feedback:

- Does the Council have any concerns with redirecting use of ARPA funds?
- Other considerations for staff?

### ATTACHMENTS:

- US Treasury final rule presentation slide