



American Rescue Plan Act (ARPA)

Award Amount = \$7,720,659

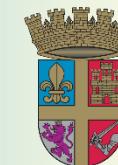
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December 13, 2021

GFOA ARPA Guiding Principles

➤ Temporary Nature of ARPA Funds

- Care should be taken to avoid creating new programs or add-ons to existing programs that require an ongoing financial commitment.
- Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.
- Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.



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Eligible Expenditures: Four Main Categories

- A. COVID-19 or a negative economic impact
- B. Premium pay for eligible workers
- C. For government services to the extent of the loss of revenue
- D. Investments in water, sewer and broadband infrastructure

Flood mitigation/Seawall construction is not an allowable use

Government Services

- “Government services”
 - Directly provide services or aid to citizens
 - Maintenance of buildings
 - Can use it on a capital project together with bond financed portion
 - You can start a project and you finish it with future revenues / bonds
 - Cybersecurity, Healthcare service, School or education services, Police, fire or public safety

Water/Sewer Infrastructure

- Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds.
- Uses aligned with Environmental Protection Agency's Clean Water Revolving Fund and Drinking Water State Revolving Fund to expedite project identification.
 - Building/upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.
 - Invest in wastewater infrastructure projects
 - E.g. constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works
- Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities

- \$6.4M calculated revenue reduction
- Calculated by determining growth rate prior to COVID compared to growth rate since.
- Results in greater flexibility of allowable use options



ARPA Revenue Replacement Calculator

Fiscal Year Ended September

Base Year Revenue Period 9/30/2019

Calculation Date 12/31/2020

Number of Months 15

Background Information

1) Fiscal Year End September

2) Calculation Date 12/31/2020

3) Base Year Revenue \$ (55,893,028)

4) Growth Rate 8.4%

5) Actual Revenue \$ (55,422,018)

Notes:

FY used for base year calculation

Months between Base Year and Calculation Date

[Use Worksheet to Calculate](#)

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Estimate Revenue

Counterfactual Revenue \$ (61,829,589)

Estimated Revenue Without Pandemic

Reduction in Revenue

Revenue Reduction \$ (6,407,571)

Revenue Reduction % -10.4%

Fiscal Year Ended 12/31/2020



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Tentative Plan for Discussion

Item	Cost
Cyber security upgrades	\$650,000
Utility monitoring system upgrades (SCADA)	\$650,000
Septic to sewer	\$2,000,000
Stormwater master plan	\$2,000,000
WWTP outfall rehab	\$500,000
WWTP sludge centrifuge	\$700,000
Revenue Reduction	
*Street sweeper	\$500,000
Police cars	\$250,000
Police evidence shed	\$200,000
Side loader garbage truck	\$350,000
	<u><u>\$7,800,000</u></u>
<p>*Requesting approval to begin purchasing process</p>	