

CITY OF WARRENVILLE**MEMO**

To: Mayor and City Council
John Coakley, City Administrator

From: Kevin Dahlstrand, Finance Director 

Subject: American Rescue Plan Act (ARPA) Use of Funding
Recommendations

Date: August 13, 2021

The City is to receive a total of \$1,790,929.02 in American Rescue Plan Act (ARPA) funding over the next two fiscal years. The funding is to come in two tranches (allotments) of \$895,464.51. On Wednesday, August 25, 2021, the City received the first tranche check from the State of Illinois. The second tranche, is to be received approximately 12 months after this first tranche, or August 2022 (FY 2023).

According to the U.S. Department of the Treasury guidance, municipalities can spend money ARPA funding on (as summarized by the IML):

- 1) Providing services and programs to contain and mitigate the spread of COVID-19
- 2) Providing services to address behavioral healthcare needs exacerbated by the pandemic
- 3) Covering payroll and benefits for employees to the extent they work on COVID -19 response
- 4) Replacing lost revenue
- 5) Serving the hardest-hit communities and families
- 6) Providing premium pay to essential workers
- 7) Investing in water and sewer infrastructure
- 8) Investing in broadband infrastructure

The Long Range Financial Planning (LRFP) workgroup has met and discussed potential uses for the ARPA funding, and formulated a recommendation for use of the first tranche during FY 2022, and the second tranche during FY 2023.

Included with the agenda backup materials is a table listing the LRFP workgroups proposed uses of the ARPA funding, for both fiscal years, with the understanding that the second year recommendations, will be revisited during the FY 2023 Budget process, and an adjusted recommendation will be brought forward from the LRFP workgroup.

Council Action Requested: Accept recommendation from the Long Range Financial Planning workgroup and authorize use of the first tranche of the American Rescue Plan Act (ARPA) funding during FY 2022 as follows: 1) \$30,000 to hotel and travel business recovery through the DuPage Convention and Visitors Bureau (DCVB), 2) \$180,000 to the Hotel Tax fund to replace lost revenue, 3) \$15,000 to the DuPage Senior Citizen Council, to provide additional funding to serve Warrenville seniors, and 4) \$670,464.51 to the Water and Sewer Fund, to fund water and sewer infrastructure projects, fund the on-going Inflow and Infiltration (I&I) project costs, and reduce future rate increases.

**Long Range Financial Planning Workgroup
American Rescue Plan Act (ARPA)**

Recommended allocation of funding

Purpose	Recipient	FY 22	FY 23	Explanation
Econ Aid - Tourism	DCVB	\$ 30,000.00	\$ 15,000.00	FY 22 - to fund City and DCVB program to revive hotels and restaurants. FY 23 figure to be reconsidered based upon FY22 actual hotel tax revenue
Replace Lost Revenue / support tourism	Hotel Tax Fund	\$ 180,000.00	\$ 165,000.00	Replaces lost revenue - which in turn - supports other City funds (i.e. supporting transfers) and financial support for City sponsored community events
Support seniors	DuPage Senior Citizens Council	\$ 15,000.00	\$ 15,000.00	Increase support for programs to aid and assist senior citizens - subject to "proof" of service to Warrenville seniors
Sewer capital and I & I projects	Water and Sewer Fund	\$ 670,464.51	\$ 700,464.51	Investment in sewer capital projects and to assist in minimizing future rate increases through use of funding to help cover In-flow & Infiltration (I&I) projects costs.
Total		\$ 895,464.51	\$ 895,464.51	

Total ARPA allocation \$ 1,790,929.02