



### MEMORANDUM

**To:** James L. Gillis Jr., City Manager  
**From:** Jason Oliva, Finance Director  
**Re:** American Rescue Plan Act (ARPA)  
Infrastructure Priority List  
**Date:** August 3, 2021

## AGENDA ITEM

**Item # D14**

**Date: August 10, 2021**

The city is expected to receive a direct allocation from the State of Florida's Coronavirus Local Fiscal Recovery Fund (CLFRF) as provided for by the American Rescue Plan Act (ARPA). The CLFRF allocation for South Daytona is estimated to be approximately \$6.55 million.

There is no requirement as to whether an expenditure is budgeted or "unbudgeted", allowing the City to prioritize where the money should be spent. The deadline for expending CLFRF funds is December 31, 2024, or approximately 3 years and 5 months. The use categories for the fund are comprised of four categories, which are:

- (1) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (2) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, non-entitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- (3) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, non-entitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, non-entitlement unit of local government, or county prior to the emergency; or
- (4) to make necessary investments in water, sewer, or broadband infrastructure.

The estimated CLFRF funding allocable to the City will be provided in two equal tranches (approximately \$3.28 million each) per the ARPA. The first tranche was expected within 60 days of the enactment of the ARPA (March 11, 2021), or May 10, 2021. The State of Florida has applied for and received two extensions on the deadline to disburse the funds. The second tranche will not be available to the city until at least 12 months after the date on which the first tranche is provided to the city.

# *City of South Daytona*

## **Finance Department**

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Staff has been emphasizing the need to rehabilitate our aging infrastructure which has been financially impossible in the past. These funds will allow the City to repair or replace our infrastructure over the course of a few years that would have otherwise taken us a decade or more to find an adequate funding source. As a result, staff is strongly recommending that these funds be used to address the much-needed improvements in water and sewer infrastructure.

Staff has prioritized the infrastructure improvement needs in Attachment A. The priority list is to be used as a guide that staff can utilize for future projects. The projects listed exceed the expected allocation but are an indication of our needs. Since there is a deadline to spend the allocation, if a project is delayed for some reason, another one can be chosen from the list to ensure it gets completed within the required timeframe.

Resolution No. 2021-22, shown as Attachment B, formally adopts the priority list and will give staff the necessary direction on the expenditure of these funds within the allotted timeframe.

**Attachment A:**  
**Infrastructure Priority List for the**  
**Coronavirus Local Fiscal Recovery Fund**

<b><u>Prioritized Need</u></b>	<b><u>Estimated Cost</u></b>
Replace Lift Station #1	\$ 2,000,000
Replace Lift Station #5	\$ 2,250,000
Sewer Pipe Lining and Replacement	\$ 2,500,000
Continuous Read Water Meter System	\$ 1,250,000
Replace Lift Station #2	\$ 2,000,000
Potable Water Main Replacement	\$ 2,000,000
Replace Lift Station #6	\$ 250,000

\*If the guidance from the US Treasury is modified, the City may be eligible to participate in recovering lost revenues from the pandemic (category #3).

## **RESOLUTION NO. 2021-22**

### **A RESOLUTION OF THE CITY OF SOUTH DAYTONA, VOLUSIA COUNTY, FLORIDA ADOPTING AN INFRASTRUCTURE PRIORITY LIST FOR THE CORONAVIRUS LOCAL FISCAL RECOVERY FUND ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT; PROVIDING FOR CONFLICTING RESOLUTIONS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans (“Pandemic”); and

**WHEREAS**, as a result of the Pandemic, cities have been called on to respond to the needs of their communities; and

**WHEREAS**, city revenues have faced severe economic impacts due to the Pandemic; and

**WHEREAS**, Congress adopted the American Rescue Plan Act in March 2021 (“ARPA”) which included \$65 billion in recovery funds for cities across the country; and

**WHEREAS**, ARPA funds are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19; and

**WHEREAS**, approximately \$6,551,136 will be disbursed to the City of South Daytona pursuant to the ARPA allocation; and

**WHEREAS**, the United States Department of Treasury has adopted guidance regarding the use of ARPA funds; and

**WHEREAS**, the City, in response to the Pandemic, has had expenditures and anticipates future expenditures consistent with the Department of Treasury’s ARPA guidance; and

**WHEREAS**, the State of Florida will distribute ARPA funds to the City because its population is less than 50,000; and

**WHEREAS**, the City Council deems it in the best interest of the City of South Daytona to invest in the rehabilitation of our aging water and sewer infrastructure as established under the American Rescue Plan Act.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, FLORIDA:**

**SECTION 1.** The City Council of the City of South Daytona hereby adopts “Attachment A: Infrastructure Priority List for the Coronavirus Local Fiscal Recovery Fund”.

**SECTION 2. EFFECTIVE DATE.** This resolution shall take effect immediately upon its passage and adoption.

**THIS RESOLUTION APPROVED ON FIRST AND ONLY READING** this 10<sup>th</sup> day of August 2021 by the City Council of the City of South Daytona, Florida.

**CITY OF SOUTH DAYTONA, FLORIDA**

\_\_\_\_\_  
William C. Hall, Mayor

ATTEST: \_\_\_\_\_  
James L. Gillis Jr, City Manager

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Wade Vose, City Attorney