



•
•
•
•
•

Fiscal Year 2024 Proposed Budget - ARPA July 1, 2023 - June 30, 2024

Presented by:

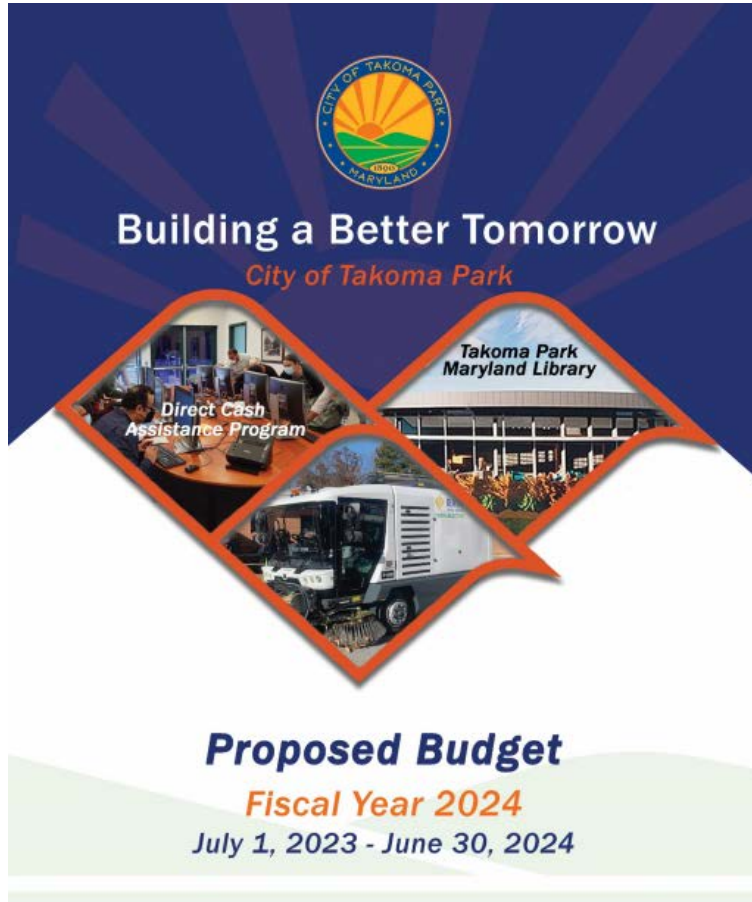
ARPA Manager

Andrew Bolduc

April 24, 2023

Agenda:

- Overview of Decision Points: Why Now?
- Takoma Park ARPA Spending Plan: A History
- Compliance & Deadlines
- FY23 Budget Highlights & Year-End Balances
- FY24 Budget Highlights & Amendments
- ARPA 5-year Spending Plan - Next Steps
- Questions?



Overview of Decision Points: Why Now?

- All projected expenditures must be included as part of City annual budget
- “Special Fund”:
 - Independent from general fund
 - In theory, does not impact tax rate
 - Revenue source directly from fund
 - However, may be used to off-set tax rate increases, “Lost Revenue” allowance
- FY24 draft budget includes:
 - Advancing unspent FY23 to FY24 for ongoing projects
 - \$1.1m re-allocation of ARPA funds for CIP projects
 - \$240,000 re-allocation to established ARPA programs
 - Quality of Life grants – \$110,000 to continue program through FY24
 - Document Management Platform - \$130,000 cost-estimate overage



Takoma Park ARPA Spending Plan: A History

- March 2021: American Rescue Plan Act signed into law
 - \$360 billion in pandemic-related aid to state and local governments
- July 2022: City received final of two \$8.7m installments for a total award of \$17.5m
- Decision 1: FY22 Budget included \$1.91m in “revenue loss” to support general fund
- Decision 2: FY22 July budget amendment included \$2,605,600 in initial project funding
 - Food security grants
 - Rental assistance
 - ARPA salaries
- Decision 3: Adoption of FY23-26 Spending plan codified as Ordinance No. 2022-3 for remainder of ARPA funds
 - 23 new programs/initiatives
- Decision 4: Fiscal year reallocations

Total ARPA Award	\$17,470,260
FY22 adopted budget	\$1,191,600
FY22 July budget amendment	\$2,605,600
FY23-26 Spending Plan, Ordinance No. 2022-3	\$13,558,824.52
FY23 July budget amendment	<i>FY22 to 23 reallocations</i>
Final installment	\$6,807



Compliance & Deadlines

- Treasury Final Rule, January 6, 2022
 - Outlines how funds must be spent
 - “Revenue loss” \$10m standard allowance “any government purpose”
 - Remaining \$7.5m to be used for broad range of purposes such as:
 - Responding to public health emergency and economic impacts
 - Direct cash assistance
 - Rental assistance
 - Small business & non-profit support
 - Premium pay for essential workers
 - Restore provision of government services that were cut as a result of lower revenues during pandemic
 - Costs associated with administering ARPA funds
 - Investments in water, sewer, and/or broadband infrastructure
- Entire award must be “obligated” by December 31, 2024
 - “Obligated” - two approaches
- Entire award must be spent by December 31, 2026



Other Funds - ARPA



- Supports approximately 30 City ARPA programs targeted to 6 distinct purposes
 - Affordable Housing
 - Small Business Recovery
 - Social Services Partnerships
 - Family Resiliency Programs
 - City Operations
 - Community Anchors
- Programs range from micro grants and emergency assistance to municipal service improvements

FY23 Budget Highlights & Year-end Balances

Total FY23 Budget	FY23 Year-End Projection	Unspent (\$)
\$10,077,505.74	\$4,712,687.32	\$5,364,818.42

- Project delays
 - Library
 - Mental health crises counselors
 - Interactive online budget tool & document management platform
- Unimplemented programs/disbursements due to staffing shortages
- Distributed over \$2.8m in grants
 - \$1.3m direct cash assistance
 - \$500,000 multi-family housing rehabilitation
 - Awarded all energy efficiency grants
 - \$213,400 in emergency rental assistance
 - \$110,000 quality of life grants
 - \$90,000 food security grants to non-profits
- Hired an ARPA Manager and temporary assistance in finance



FY23 Budget Highlights & Year-end Balances

Unencumbered Surplus

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	Surplus
Administrative Salaries	\$2,005,000	\$636,679.37	\$175,726.56	\$460,952.81
Premium Pay	\$272,000	\$0	\$241,400	\$30,600
Financial Software Upgrade	\$165,000	\$0	\$0	\$165,000
Final Installment Difference	\$0	\$0	\$0	\$6,535
Account Interest FY22	\$0	\$0	\$0	\$272
TOTAL				\$663,359.81



FY23 Budget Highlights & Year-end Balances Underdeveloped Projects/Disbursements

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	FY23 Projected Actual	Balance Unspent
Grants to Non-Profits	\$95,000	\$95,000	\$0	\$95,000
CP2 Grants	\$100,000	\$100,000	\$0	\$100,000
Mini Grants – Spark	\$25,000	\$25,000	\$0	\$25,000
Community Connectors	\$350,000	\$200,000	\$0	\$350,000
Workforce Development	\$100,000	\$100,000	\$0	\$100,000
Community Engagement	\$100,000	\$20,000	\$9,800	\$72,200
Total				\$742,200



FY23 Budget Highlights & Year-end Balances

Underdeveloped Allocations Awaiting Studies

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	FY23 Projected Actual	Balance Unspent
Municipal Broadband	\$400,000	\$400,000	\$30,000	\$370,000
Takoma-Langley Crossroads Business Incubator	\$500,000	\$500,000	\$100,000	\$400,000
Total				\$770,000



FY23 Budget Highlights & Year-end Balances

Developed Projects with FY23 Surplus

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	FY23 Unspent
Document Management Platform	\$100,000	\$100,000	\$0	\$100,000
Direct Cash Assistance	\$2,300,000	\$2,300,000	\$1,310,000	\$990,000
Interactive Online Budget Tool	\$124,000	\$124,000	\$0	\$124,000
Small Business Grants	\$300,000	\$150,600	\$112,600	\$38,000
Energy Efficiency Upgrades	\$500,000	\$500,000	\$150,000	\$350,000
Mental Health Crisis Counselors	\$600,000	\$350,000	\$102,500	\$247,500
Lending Program: Laptops	\$11,000	\$11,000	\$6,834.87	\$4,165.13
Library Expansion	\$4,000,000	\$2,000,000	\$0	\$2,000,000



FY23 Budget Highlights & Year-end Balances

Ongoing & Completed Projects

Program	Total Allocation (FY23-26 SP)	FY23 Budget (amended)	End of FY23 Projected Actual	FY23 Balance
Food Insecurity RFP	\$250,000	\$90,000	\$90,000	\$0
Community Quality of Life Grants	\$110,000	\$110,000	\$110,000	\$0
Emergency Rental Assistance	\$750,000	\$213,401.37	\$213,401.37	\$0
Recreation Scholarships & Tutoring	\$300,000	\$125,000	\$150,000	(\$25,000)
Multi-Family Housing Rehabilitation	\$1,000,000	\$500,000	\$500,000	\$0
Recreation STEAM Program	\$20,000	\$20,000	\$20,000	\$0
Recreation Center Repair/Redevelopment	\$320,000	\$160,000	\$160,000	\$0
Community Center Renovation	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Public Space Management	\$90,000	\$90,000	\$90,000	\$0
Neighborhood Commercial Center Improvements	\$100,000	\$100,000	\$100,000	\$0



FY24 Budget Highlights & Amendments

- Due to FY23 project delays, FY24 is going to be an exciting year!
- Many projects shifting unspent FY23 funds to FY24
- Two reallocations of unspent funds to current projects
 - A \$130,000 increase in the projects costs for the city document digitization project
 - Continuation of the Quality of Life grants into FY24; \$110,000
- Reallocation of \$1.1m of unspent funds to fund two city CIP projects
- Projects without a current project plan show a zero or adjusted FY24 expenditure
- All but \$2.8m of the total ARPA award will currently remain for the last 2.5 eligible years of spending

Projected Unspent ARPA (\$) through FY23	FY24 Budget	Remaining Balance
\$10,774,019	\$7,901,794	\$2,872,225



FY24 Budget Highlights & Amendments

Selected Fiscal Year Adjustments

Program	FY23 Budget (amended)	FY23 Projected Actual	FY24 in Spending Plan	FY24 Budget
Administrative Salaries/Benefits	\$636,679.37	\$175,726.56	\$416,712	\$410,639
Document Management Platform	\$100,000	\$0	\$0	\$100,000
Interactive Online Budget Tool	\$124,000	\$124,000	\$0	\$124,000
Small Business Grants	\$150,600	\$112,600	\$0	\$38,000
Library Expansion	\$2,000,000	\$0	\$2,000,000	\$3,500,000
Mental Health Crisis Counselors	\$350,000	\$102,500	\$250,000	\$275,000



FY24 Budget Highlights & Amendments

Reallocations

- \$10.7m in unspent ARPA funds leading into FY24
- \$1.33m for CIP projects reallocated from the following:
 - Unencumbered surplus
 - Salary & premium pay
 - Interest; final installment
 - Finance software upgrade
 - Non-profit spending grants
 - CP2 Grants; Spark
 - Workforce development
 - Municipal Broadband
 - Anticipated future salary savings
- Future discussion
 - \$870,000 Direct Cash Assistance (balance)
 - \$350,000 Community Connectors
 - \$400,000 Takoma-Langley Crossroads

FY24 Reallocations	
FY24 Funded	
CIP Projects	\$ 1,100,000.00
Document Management	\$ 130,000.00
Quality of Life Grants	\$ 110,000.00
Total	\$ 1,340,000.00
Reallocated from	
Unencumbered Balance	\$ 663,259.81
Grants to non-profits	\$ 220,000.00
Workforce Development	\$ 100,000.00
Community Engagement	\$ 57,200.00
Municipal Broadband	\$ 185,000.00
Anticipated admin savings	\$ 114,540.19
Total	\$ 1,340,000.00



ARPA 5-year Spending Plan Next Steps

- Council's FY24 decision will amend Spending Plan
- Additional amendments can occur at any time
 - First FY24 budget amendment
 - Amendment to Ordinance No. 2022-3
- Near-term discussion (May; June)
 - \$870,000 Direct Cash Assistance (balance)
 - \$350,000 Community Connectors
 - \$400,000 Takoma-Langley Crossroads
- Other discussion on future direction of programs
 - Recreation Scholarships
 - Municipal Broadband
 - Social Services Grants
- Quarterly project updates (May/June; Sept; Dec)
 - Energy Efficiency Upgrades
 - Food Insecurity Program
 - Small Business Grants
 - Direct Cash Assistance
 - Many more!





Questions & Answers