

To: Members
 Dunwoody City Council

From: J. Jay Vinicki
 Assistant City Manager

Linda Nabers
 Finance Director

Re: Creation of ARP 2

Date: 11 April 2022

Action

Authorize the mayor, city manager, or designee to execute all documents necessary and proper to create a fund named American Rescue Plan (ARP) 2 indirectly formed out of a one time usage of revenue replacement of \$10 million from the original American Rescue Plan.

Summary

The ARP Act allows the city to take \$10 million of its \$18,431,321 ARP allotment as revenue replacement. Staff recommends using this option to create a fund called ARP 2 which would allow that \$10 million to be used for the same intent as the original funding, but it would remove federal requirements and time frames from the spending.

Some cities might use this option as true revenue replacement for city operations. Staff does not recommend using it for true revenue replacement as that funding is one-time revenue.

Details

The current budget for ARP funding is shown below. City Council has taken action on four items: PCE Park; Revenue Replacement, Wayfinding Signage, and Stormwater Expediting.

ARP	
	<i>Current Budget</i>
Revenue	18,431,324
PCE Park	3,000,000
Revenue Replacement	1,500,000
Wayfinding	500,000
Stormwater Expediting	300,000
Contingency	13,131,321
Expenses	18,431,321

Staff recommend removing the “true” revenue replacement option of \$1.5 million; creating a Transfer Out to the General Fund of \$10 million for “new” revenue replacement; and then adjusting the contingency accordingly.

ARP 1	
	<i>Proposed Budget</i>
Revenue	18,431,324
PCE Park	3,000,000
Revenue Replacement	-
Wayfinding	500,000
Stormwater Expediting	300,000
ARP 2 Creation - Xfer Out	10,000,000
Contingency	4,631,321
Expenses	18,431,321

This \$10 million would be revenue in the General Fund and \$10 million of normal day-to-day operations would be identified as expenses against it. That would then allow for the creation of a \$10 million transfer out to the new fund called ARP 2. As a note, there is possibly an issue where this may have to be done in two allotments based on when the funding was received, but that is administrative in nature.

In the end there would be an ARP 1 fund of \$8,431,321 which would follow all ARP rules. The second fund of \$10,000,000 would still have the intent of ARP funding; however, since it would be sourced with General Fund funding and the laws that oversee it be those used for normal operations. This would allow more flexibility in its usage. Staff still recommends that for transparency, all usage of this funding be approved by the City Council at the project level and in some cases at lower levels.

ARP 1	
	<i>Proposed Budget</i>
Revenue	18,431,324
PCE Park	3,000,000
Wayfinding	500,000
Stormwater Expediting	300,000
ARP 2 Creation - Xfer Out	10,000,000
Contingency	4,631,321
Expenses	18,431,321

ARP2	
	<i>Proposed Budget</i>
Revenue	10,000,000
Contingency	10,000,000
Expenses	10,000,000

Recommendation

Authorize the mayor, city manager, or designee to execute all documents necessary and proper to create a fund named American Rescue Plan (ARP) 2 indirectly formed out of a one time usage of revenue replacement of \$10 million from the original American Rescue Plan.