



Legislation Details (With Text)

File #: 23-3702 **Version:** 1 **Name:**

Type: Work Session Item **Status:** Agenda Ready

File created: 3/20/2023 **In control:** Town Council Work Session

On agenda: 3/27/2023 **Final action:**

Title: Discuss ARPA and CIP plan for approval

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1. ARPA Presentation, 2. 2. CIP Presentation 3-27-23

Date	Ver.	Action By	Action	Result
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Subject:
DISCUSS ARPA AND CIP PLAN FOR APPROVAL

BACKGROUND SUMMARY :

When the Town received ARPA funds in 2021 the Town planned to use it on select CIP projects from 2026 and later, plus new projects / funding needs directly related to the pandemic in IT, public safety and in building security and safety. Council determined the priority of the projects, and projects were fit in the funding as early as possible.

OVERVIEW :

Upon further review of meals tax receipts, while they bounced back, they still left a deficit in funds available for general CIP projects. Water and sewer projects, funded by water and sewer fees are not affected. The result is that the Town is still able to fund most projects planned for 2024 through ARPA, and the projects that were originally planned for 2026 and later are moved back to those years.

We have stretched out borrowing to 4 year cycles several times in the past. We have been fortunate for strong growth in meals taxes, allowing us to construct / renovate two complete buildings. The bond market understands being responsible and conservative with borrowing.

SUMMARY/STAFF IMPRESSIONS :

Staff is seeking approval for ARPA and CIP spending as revised. It is important for ARPA projects to be approved so that we can move forward and meet the spending deadlines.

CIP will be rebalanced again in the fall of 2023. We will resume a two-year borrowing cycle in 2026.

RECOMMENDATION :

Staff recommends Council discuss CIP and ARPA, and give direction on spending plans for approval at the April 10, 2023 Council meeting.

