



STAFF REPORT

DATE: May 7, 2024

CONSENT

MOTION

TO: City Council
FROM: Clarissa Hadler – Finance Director
AGENDA ITEM: ARPA Resolution
REVIEWED BY: Clark Schroeder, Interim City Administrator

BACKGROUND:

The projects designated for the ARPA funding have been completed. Finance staff will close out the ARPA fund in 2024. As part of that fund closure, I've added some language that makes the election to the standard allowance for revenue loss. This action was not necessarily required by the Treasury but was recommended by LMC.

ISSUE BEFORE THE CITY COUNCIL:

- 1) Should the City Council approve the attached resolution?

DISCUSSION:

The City received just over \$1,000,000 in ARPA funding in 2021 and 2022. The funds were spent largely (\$945,000) on the Section 16 Infrastructure Improvements and Lift Station.

Treasury allowed for the election of a standard allowance, all funds could be used for the provision of government services. This action was not necessarily required by the Treasury but was recommended by LMC. The language in the resolution provides clarity for future staff and auditors of how the money was utilized, and documents the allocation required by Treasury rules.

FISCAL IMPACT:

The remainder of the money in Fund 252, approximately \$65,000, will be transferred to the General Fund. This does not change any planned expenditures in the General Fund.

RECOMMENDATION:

If removed from the consent agenda:

Motion to Resolution 2024-057, a resolution finalizing utilization of American Rescue Plan Act ("ARPA") funds and closing fund 252.

ATTACHMENTS:

- 1) Resolution 2024-057.

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2024-057

**A RESOLUTION FINALIZING
UTILIZATION OF AMERICAN RESCUE PLAN ACT (“ARPA”) FUNDS
AND CLOSING FUND 252**

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

WHEREAS, approximately \$1,006,500 has been allocated to the City of Lake Elmo (“City”) pursuant to the ARPA.

WHEREAS, In May 2021, the US Department of Treasury (“Treasury”) published the Interim Final Rule describing eligible and ineligible uses of funds as well as other program provisions, sought feedback from the public on these program rules, and began to distribute funds.

WHEREAS, on January 6, 2022, US Department of Treasury (“Treasury”) issued the Final Rule, which offered a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.

WHEREAS, pursuant to prior Council action, ARPA funds have been utilized on the following projects and in the following amounts;

Section 16 Infrastructure Improvements & Oakdale Lift Station	\$ 944,674
Internet to Public Works	\$ 8,326

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO, MINNESOTA,

- the City elects the standard allowance available under the revenue loss provision of the American Rescue Plan Act in the full amount of the ARPA grant to be used for the general provision of government services, including the aforementioned projects.
- Any funds remaining in the ARPA Fund (252) shall be transferred to the General Fund (101) for the provision of government services.
- Fund 252 shall be closed.

APPROVED by the Lake Elmo City Council on this 7th day of May, 2024.

By: _____
Charles Cadenhead
Mayor

ATTEST:

Julie Johnson
City Clerk