



CITY OF NEWBURYPORT FY 2024 TRANSFER/APPROPRIATION REQUEST

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 NEWBURYPORT, MA
 2024 APR 11 A 10:11

Department: Mayor's Office
Submitted by: Sean R. Reardon, Mayor

Date Submitted: 4/8/2024

Transfer From:

Account Name:	<u>ARPA - State & Local Fiscal Recovery Funds</u>	Balance:	<u>\$ 964,675</u>
Account Number:	<u>2111-59630</u>	Category:	<u>\$ -</u>
Amount:	<u>\$964,675.13</u>	Trans I/O:	<u>\$ (4,219,378)</u>

Why Funds Are Available:

The City's allocation from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) was \$5,466,707 of which \$4,219,378 has been approved for capital projects, leaving a remaining balance of \$1,247,329 to be obligated by Dec. 31, 2024. An appropriation of \$282,654 has been recommended for Lower Atkinson Common Improvements leaving a remaining balance of \$964,675.

Transfer To:

Account Name:	<u>Phillips Drive Project</u>	Balance:	<u>\$ 1,448,343</u>
Account Number:	<u>3806421-58400</u>	Category:	<u>\$ -</u>
Amount:	<u>\$700,000.00</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Needed:

Project recommended for approval by the ARPA Advisory Committee.

Transfer To:

Account Name:	<u>Marquand Lane Study</u>	Balance:	<u>\$ -</u>
Account Number:	<u>New Capital Project</u>	Category:	<u>\$ -</u>
Amount:	<u>\$120,000.00</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Needed:

Project recommended for approval by the ARPA Advisory Committee.

Transfer To:

Account Name:	<u>Streets and Sidewalks</u>	Balance:	<u>\$ -</u>
Account Number:	<u>3010-58400</u>	Category:	<u>\$ -</u>
Amount:	<u>\$144,675.13</u>	Trans I/O:	<u>\$ -</u>

Why Funds Are Needed:

Project recommended for approval by the ARPA Advisory Committee.

Sean R. Reardon, Mayor: 

Date: 4/5/2024

Ethan R. Manning, Auditor: 

Date: 4/5/2024

City Council Action:

MEMORANDUM

To: Council President Ed Cameron and members of the City Council
From: Mayor Sean Reardon
Re: ARPA Transfer Request
Date: Monday, April 8, 2024

The Administration has submitted a transfer request for \$964,675, representing the balance of funds the City has received from American Rescue Plan Act funds. The Administration previously requested \$282,654 from the Council for the Lower Atkinson Common Improvement Project. This memo summarizes the current status of ARPA funds and the projects the Administration is recommending pursuing with the remaining funds.

Background

The American Rescue Plan Act (ARPA) allocated \$350 billion for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), benefiting state, local, tribal, and territorial governments. The City of Newburyport received approximately \$5.5 million from this allocation. These funds can be utilized for various purposes, including public health responses, economic recovery, and infrastructure investments.

Local governments have the ability to claim a standard allowance of up to \$10 million for “revenue loss,” irrespective of their actual revenue decline due to the pandemic. This allows for spending broadly on government services. Given that Newburyport's allocation falls below this threshold, the City has significant flexibility in determining the allocation of these funds.

Currently, \$4.2 million of the City’s allocation has been appropriated, leaving a balance of \$1.2 million that must be obligated (appropriated) by Dec. 31, 2024. All funds must be spent by Dec. 31, 2026.

Allocations & Spending To-Date

Municipal Allocation	1,914,283
County Reallocation	3,552,424
Total Funding Amount	5,466,707

Phillips Drive Drainage Project	1,000,000	ORDR252_05_24_2021 [Approved 8/30/21]
Streets & Sidewalks	2,400,000	ORDR335_03_28_2022 [Approved 4/11/22]
Joppa Park Walkway	100,000	ORDR334_03_28_2022 [Approved 4/25/22]
Data Center Rebuild	594,378	TRAN00153_05_08_2023 [Approved 6/26/23]
Hale Street Pedestrian Safety	125,000	TRAN00165_08_14_2023 [Approved 8/28/23]
Total Appropriations	4,219,378	

Current Unobligated Balance **1,247,329**

Lower Atkinson Common Improv.	282,654	TRAN00185_03_11_2024 [Pending Review]
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Remaining Unobligated Balance **964,675**

Process

All ARPA requests are approved by the Mayor with the concurrence of the Ad Hoc committee and then are approved by a majority vote of the City Council. The Ad Hoc committee is convened by the Mayor with representation from the City Council. Following past practice, the Council participants represent the Public Works and Safety, Community Services, and Budget and Finance Committees. The Mayor, Chief of Staff, Finance Director, and Director of Public Services are the other members. The Committee met on Wednesday, April 3rd to discuss potential projects for the ARPA funds.

Projects

Lower Atkinson Common Safety Improvement Project: \$282,654

This safety project has been on our radar for a while, and is an important part of improving the pedestrian and vehicle situation at the Pioneer Fields. The scope and request for \$282,654 from ARPA funds would include a sidewalk along Merrimac Street that would run from Moulton to Plummer and important drainage upgrades. This complements CPA funding that will create off street parking and remove dangerous parking along Merrimac Street that requires vehicles to back out into traffic.

Project Funding for Phillips Drive: \$700,000

The Phillips Drive drainage improvement program is currently over budget because of additional funds needed for on-site engineering and the discovery of more ledge than anticipated throughout the construction, increasing costs. More funds should have been allocated for contingency from the start, and as it stands the project is approximately \$700,000 short. ARPA funds and free cash, supplemented by water and sewer retained earnings, may be the best sources to make up this gap, as bonds have already been issued for this project.

Marquand Lane Study: \$120,000

The City has identified drainage issues in the Marquand Lane neighborhood causing flooding on both public and private property. This money would fund a study that would lead to potential options and design for a long-term solution to improving the drainage in this neighborhood.

Additional Funds for Streets and Sidewalks: \$144,675.13

The City Council approved \$6M in bonding in 2023 to fund the next five years of streets and sidewalk improvements. This was crucial to lock in the plan for street and sidewalk repair and confirm the scale and scope of work over the next five years. At the suggestion of the Finance Director, additional ARPA funds could reduce the amount of this work paid for through bonding. Streets and sidewalk repairs only allow us to bond for 15 years, meaning annual payments are higher. ARPA funds would replace some of this bonding and free up additional funds for bonding for other capital projects.