



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

John A. Titkanich, Jr., County Administrator
Michael C. Zito, Deputy County Administrator

MEMORANDUM

TO: Members of the Board
of County Commissioners

FROM: John A. Titkanich, Jr.
County Administrator

PREPARED BY: Kristin Daniels
Director, Management & Budget

DATE: October 23, 2024

SUBJECT: American Rescue Plan Act of 2021 – Proposed Spending Plan Revisions

BACKGROUND:

On March 11, 2021, President Biden signed the \$1.9 trillion American Rescue Plan Act of 2021. The American Rescue Plan (ARP) as it is normally referred to, is a COVID-19 stimulus package that was intended to speed up the United States' recovery from the negative health and economic impacts of COVID-19. Indian River County received \$31,063,168 in ARP funding. The County has until December 31, 2024 to encumber the funds, and until December 31, 2026 to fully exhaust all funding.

ANALYSIS:

The following table shows the proposed spending revisions per category.

Spending Plan			
Expense Category	Current Budget	Proposed Revisions	Revised Budget
Respond to the Public Health Emergency	\$6,217,316	(\$2,387,701)	\$3,829,615
Workers Performing Essential Work	\$918,770	\$71	\$918,841
Reduction in Revenues	\$5,920,447	\$2,424,047	\$8,344,494

Water/Sewer or Broadband Infrastructure	\$12,475,257	\$0	\$12,475,257
Constitutional Officer Expenses	\$5,531,378	(\$36,417)	\$5,494,961
Total	\$31,063,168	\$0	\$31,063,168

Respond to the Public Health Emergency

During the height of the pandemic, the County offered various housing, downpayment, and rehabilitation assistance programs funded with ARP dollars. Those programs have since sunset and a balance of \$2,098,768 remains.

In order to address the ongoing impact that COVID-19 had on the community, the County partnered with the United Way to fund \$1,040,750 in mental health assistance, child abuse prevention and absentee diversion programs. The United Way has incurred costs of \$780,563 in administering these programs and has a balance of \$260,187 remaining.

The Munis Modules to Support Teleworking, Consultant Services and IT Upgrade categories have a combined remaining total of \$28,746 that is no longer needed to support these expenses.

Staff proposes the remaining balance of \$2,387,701 be reallocated in the spending plan to fund other eligible expenses.

Workers Performing Essential Work

Staff is proposing an increase of \$71 to this category to fund an overage in the final COVID-19 Straight and Overtime budget.

Water/Sewer or Broadband Infrastructure

The Board originally approved \$2,000,000 be allocated towards septic to sewer projects, specifically Roseland, West Wabasso, and Floravon. The Department of Utility Services has requested the remaining balance of \$310,960 in this category be reallocated to the South County Water Treatment Plant Enhancements category. This will allow the funding to be utilized on a Utilities project before the encumbrance deadline of December 31, 2024.

Constitutional Officer Expenses

The Property Appraiser and Tax Collector have unspent funds totaling \$36,417 that they are returning to the County. Staff proposes these funds be reallocated in the spending plan to fund other eligible expenses.

Reduction in Revenues (Road Resurfacing & Restriping)

As mentioned in previous ARP revisions, the County uses several forms of revenue to maintain, improve and construct roadways. Optional Sales Tax and Traffic Impact Fees are used for the capital improvements to roadways such as widening and adding turning lanes. These revenues cannot be used for general maintenance of roads, such as repaving and restriping, and thus Gas Tax revenues are used to fund these expenses. Unfortunately, Gas Tax revenues have steadily decreased over the past few years and are projected to continue decreasing as vehicles become more fuel efficient and electric vehicle purchases increase. Resurfacing the County's roadways has been limited due to the reduction of revenue. Additionally, materials for roadways are increasing at a record pace. The use of ARP monies to fund resurfacing and restriping projects would benefit the Gas Tax fund and provide the County the opportunity to fund additional projects, while accumulating the traditional Gas Tax revenues. Several large resurfacing projects have been paid for by ARP funds, which frees up funding for the ongoing maintenance of other county roads. This practice ultimately prolongs the unavoidable move to begin funding roadway maintenance with Transportation Fund dollars, which are largely funded by transfers from the General and M.S.T.U. ad valorem taxing funds.

Staff is proposing \$2,424,047 of unspent funding in the aforementioned categories be reallocated towards repaving and restriping. Public Works have recently completed an assessment of all roads and will use these funds to repave and restripe the areas where the need is most critical.

RECOMMENDATION:

Staff recommends that the Board consider the proposed spending plan (see attachment) as further detailed above totaling \$31,063,168, consider any changes, and approve the attached plan with any amendments as needed. Staff further proposes that any unencumbered funds in the proposed categories remaining as of December 1, 2024, be reallocated to Reduction in Revenues/Road Resurfacing and Restriping category in order to ensure all funds are encumbered by the December 31, 2024, deadline.

ATTACHMENTS:

ARP Proposed Spending Plan