

To: President and Members of the Munster Town Council

From: Wendy Mis
Clerk-Treasurer

Date: May 16, 2022

Re: Ordinance 1863: Amending the Plan for the use of American Recovery Plan Funds

Ordinance 1839 adopted at the October 4, 2021, meeting to create the initial plan for how the American Recovery Plan (ARP) monies would be spent. At that time, Council declared \$1,600,000.00 of the allocation as revenue replacement with \$500,000.00 being used for general government services of the Park Department and the balance to be used for the purchase of a new fire truck. The plan can be amended as needed and how the balance was set to be determined later.

During the discussions of the new water rates, Council opted to use \$2,500,000.00 of the ARP funds for capital improvements to the Water Utility infrastructure to reduce the rate customers would pay on their monthly water bill. It is time to incorporate that in the formal ARP Plan. By amending the Plan now, the currently scheduled watermain improvements can be fully funded.

Under the Final Rule of the Department of Treasury, the Town can declare its entire allocation as revenue replacement and use the dollars for any of the allowable uses. Ordinance 1863 has been drafted to declare \$2,500,000.00 as revenue replacement specifically for water infrastructure improvements under Section 603 of the law and the Final Rule.

The process for receiving the ARP money required several steps to be completed and a request for the funds be made. The Town of Munster did this within the scheduled deadlines. Other Indiana units did not. Those that failed to complete the steps forfeited their allocations and these balances were distributed among the units that did. As a result, Munster received an additional \$9,603.82. The original allocation was \$5,074,463.52. With the adoption of Ordinance 1863, the balance of funds available will be \$984,067.34. How this balance will be used will be determined later.

RECOMMENDED ACTION:

By motion and roll call vote, hear Ordinance 1863 on first reading and schedule second reading for the next regular meeting.