



Office of the West Seneca Town Supervisor
Hon. Gary A. Dickson

Memorandum

To: Honorable Town Board
From: Gary Dickson, Town Supervisor
Date: March 24, 2022
Subject: Update on American Rescue Plan funds

Dear Colleagues,

West Seneca will receive a total of \$8,508,246 pursuant to the American Rescue Plan Act (ARPA). A relatively recent change allows up to \$10 million to be classified as “lost revenue” regardless of actual loss experienced due to COVID. The “lost revenue” category has the least restrictions; funds expended only have to be for the “provision of government services.” As a reminder, the four categories in ARPA are:

1. To respond to the COVID-19 public health emergency or its negative economic impacts
2. To provide premium pay to essential workers
3. To cover loss of revenue to provide government services
4. To make necessary investments in water, sewer, and broadband infrastructure

We currently have spent or allocated approximately \$1.23 million, as follows:

- \$600,000 to fund various salary lines in the 2022 budget to compensate for the one-time payment of the bond that was taken out to cover the shortfall in the 2019 budget.
- \$140,000 in additional money for blacktop paving in the 2022 budget
- \$25,000 for air quality equipment in the courtroom
- \$200,000 to cover the amount over the grant for the bike track
- \$150,000 for portable pumps for the sewer department
- \$115,000 for the fitness court in the soccer park

In addition, I recommend that approximately \$2.1 million be allocated for the next sewer phase. The total for all of the above projects equals \$3,330,000 million, leaving approximately \$5,170,000 to allocate on other projects. All ARPA funds must be obligated by December 31, 2024, and expended by December 31, 2026.

Given the extreme cost of sewer and water infrastructure repairs, I recommend that we reserve most of the remaining funds for that purpose, perhaps up to \$4 million. That would leave approximately \$1,170,000.

I would like to remind the board that the town's unions have requested premium pay for work done during the state of emergency that was declared in the town in 2020.

One interesting opportunity in Category 1, "To respond to the COVID-19 public health emergency or its negative economic impacts," can be found on page 133 of the ARPA Final Rule (attached). This provision allows for money to be spent on vacant or abandoned property, and allows

- Rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties to reduce their negative impact
- Costs associated with acquiring and securing legal title of vacant or abandoned properties and other costs to position the property for current or future productive use.

It appears that we could use the ARPA money to purchase abandoned property in the town and prepare it for future productive use (in other words, to be resold and put on the tax rolls). Of course, even the ARPA funds are limited, but I think a program targeting one or two high-profile eyesores in town would be worth considering. Since the properties would be resold, money committed for this purpose would be returned to the town and increased property taxes could be a net benefit.

I would appreciate your thoughts on the future use of ARPA funds at the next town board meeting.