

COBURG CITY COUNCIL MONTHLY REPORTS



TOPIC: Resolution 2023-03 allocating American Rescue Funds

Meeting Date: April 11, 2023

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REQUESTED COUNCIL ACTION:

Approval of Resolution 2023-03 allocating American Rescue funds

CITY COUNCIL GOAL

Responsible Fiscal Stewardship

BACKGROUND

As shared with Council in prior reports:

On March 11, 2021, President Joe Biden signed the American Rescue Plan. The Plan, also referred to as the Covid-19 Stimulus Package was a 1.9 trillion economic stimulus bill intended to speed up the United States' recovery from the economic and health effects of Covid-19 pandemic and the ongoing recession. Specifically, the bill provides funding for a wide range of programs directed at a state, local and private employment level. One important part of the bill provides that funds be directly issued to local government agencies in every state.

The City has received two installments equaling approximately \$260,000. The first in fiscal year 2022, and the second in the summer of fiscal year 2023.

At their January 2022 meeting, the City Council approved Resolution 22-02 allocating funds. A Copy of Resolution 22-02 is attached to this report. The resolution allocated the first half of the funds received including:

- **Design/Engineering of Public Works Shop**, which will house utility SCADA system - \$50,000 – The shop design, is nearly complete and the bills for the design will exceed \$50,000. This money is spent out.
 - **Bike Kiosk** –\$15,000 - spent out
 - **Coburg Chamber** –\$15,000 – spent out
 - **Main Streets/Economic Development** - \$40,000 – budgeted as part of Economic Development Budget and will be spent out if current fiscal year
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- **Broadband Planning/Feasibility-** \$9,865 – \$2670 was committed as the match for the Fiber Consortium Grant. Remainder may be needed for I-T Equipment for the hook up at the plant.

UPDATE TO THE GUIDELINE ON EXPENDITURES OF THE FUNDS

As 2022 ended, Congress passed the final budget package for 2023, which provides the Treasury Department the necessary authority to restore live assistance to local governments with questions about the complex rules and requirements of the ARPA SLFRF program.

This service was dramatically scaled back in October of 2022 when funding ran short. Many cities needed support from Treasury during reporting periods to answer SLFRF questions, so restoring this capacity was essential.

Standard allowance election extension through April 2023

As outlined in the final rule, recipients had the option to make a one-time election to either calculate revenue loss according to the formula outlined in the final rule or elect a “standard allowance” of up to \$10 million, not to exceed the award allocation, to spend on government services throughout the period of performance.

Recipients were asked to make this election during the April 2022 reporting deadline. However, this did not give Cities enough time to provide analysis comparisons. Based on recipient feedback and in anticipation of additional questions related to the revenue loss election, **Treasury has decided to keep the Standard Allowance election portion of the reporting portal open for recipients through April 2023, which will permit recipients to update their prior revenue loss election.**

Upon update, the prior revenue loss election will be superseded. Treasury expects to keep this election opportunity open through the April 2023 reporting period to provide an opportunity for annual reporters (NEUs) to take advantage of this flexibility.

Recipients continue to be required to use the same methodology across the period of performance (i.e., choose either the standard allowance or the regular formula), and may not elect one approach for certain reporting years and the other approach for different reporting years.

ARPA Flex provision

The ARPA Flex provision provides additional flexibility for states, tribes, and local units of government to spend up to \$10 million or 30% of the total ARPA funds received on the following newly eligible SLFRF grant expenditures:

- Spending to provide **emergency relief from natural disasters**, including temporary emergency housing, food assistance, financial assistance for lost wages, or other immediate needs.
- Spending on **transportation infrastructure** eligible projects and matching funds.
- Spending on any program, project, or service that would also be eligible under the Department of Housing and Urban Development’s **Community Development Block Grant program** of which the national objectives are:
 - Benefits persons of low and moderate incomes
 - Eliminates slum and blight
 - Meets an urgent need of recent origin that threatens public health and safety

The City has until 2026 to spend all funds. However, they must be allocated no later than December 2024

BUDGET

Un-allocated funds should be discussed and included in the FY 2023-24 budget, or allocated to loss revenues of the City. These are still to be determined, but are likely in Power Franchise Revenues. More analysis is needed for this.

RECOMMENDATION

The follow recommendation for Council consideration for the 2023 American Rescue Funds Available.

Lost Revenues Reimbursement:	
Franchise Fees	\$ 65,000
Tourism/Transient Room Tax	<u>15,000</u>
Total Lost Revenue to General Fund	\$ 80,000
Main Street/Economic Development Support	
Salary Contribution Main Street Coordinator	\$ 25,000
Medical Insurance Contribution	<u>10,200</u>
	\$ 35,200
Emergency Fuel Island – Operations Center	<u>\$ 14,737</u>
Total Allocation	<u>\$129,937</u>

Other options for funding could include:

Street Projects - North Willamette – Safe Route to Schools Connection
 Supporting the Food Bank for Funding of Storage Building

These are just a few ideas and the Council may wish to have a further discussion on this matter.

It is recommended that the allocated funds are part of the FY 2023-24 Budget cycle

ALTERNATIVE

The Council may elect to fund an alternative project that fits within the allowable allocation of the American Rescue Funds.

ATTACHMENTS

- Resolution 2023-03
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