



# CITY OF DEL REY OAKS

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**DATE:** December 17, 2024

**TO:** Honorable Mayor and City Council

**FROM:** John Guertin, City Manager

**SUBJECT:** Approve transfer of \$167,446 from the ARPA Fund to the General Fund as reimbursement for General Government Administration

**CEQA:** This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an organizational activity of the City that will not result in direct or indirect physical changes in the environment.

## **Recommendation**

Approve the transfer of \$167,446 from the ARPA Fund to the General Fund as reimbursement for General Government Administration.

## **Background**

The City received \$395,672 in ARPA monies of which \$228,226 has been spent as of June 30, 2024 leaving a balance of \$167,446. Staff recently attended a webinar regarding the expenditure of these monies. Staff was reminded that the deadline to obligate the monies is December 31, 2024. To be considered obligated the funds need to be entered into a contractual agreement by December 31, 2024. The City then has until 2026 to spend the obligated funds. If funds are not obligated by December 31, 2024 they have to be returned.

Staff has not been able to spend the funds as planned. As such, there is a need to spend/obligate the funds by December 31, 2024, or return the unused funds.

## **Summary & Discussion**

The simplest solution is to spend the remaining \$167,446 for General Government Administration, one of the allowable categories. Staff is therefore recommending that the \$167,446 be transferred to the General Fund as reimbursement for City Clerk expenses which through November total \$265,296. This will fulfill the requirement for obligation of the monies by December 31, 2024.

During the mid-year budget review the Council can then consider how to utilize the additional General Fund monies. They can be used for some of the anticipated ARPA uses with no time constraint since the monies will now be General Fund monies.

## **Fiscal Impacts**

The fiscal impact is that the General Fund will receive an additional \$167,446 in funding and the ARPA Fund will be depleted.

## **Conclusion**

Approval of the recommended action will allow the City to make full use of the \$395,672 in ARPA funds received.

**ATTACHMENTS:**

- None

Respectfully Submitted,

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John Guertin  
City Manager