



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	January 26, 2023
Originating Department	Executive
Contact Person	Phillip Hill, City Administrator
Title	Resolution 23-1883/Authorizing the Mayor to sign the American Rescue Plan Act (ARPA) Grant Agreement between the City and Local 104

Legislative History

- First Presentation January 12, 2023
 - Action January 26, 2023
-

Attachments:

1. Resolution #23-1883
 2. Proposed contract
-

Executive Summary

Attached is the draft grant agreement for The Local 104, reflective of the Treasury's Final Rule. The draft agreement would reimburse The Local 104 for qualifying categories of expenses after the ARPA effective date of March 3, 2021, and prior to December 1, 2023.

The Local 104 has submitted for reimbursement of eligible costs of up to \$100,000 to complete new outdoor dining improvements behind the building. The proposed agreement is structured to be a reimbursement grant, including a not to exceed amount and a requirement for all backup documentation to be provided to and approved by the City's Finance Department prior to funds being dispersed to the recipient.

Background

In response to Covid-19, the Federal Government has provided two funding vehicles, the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA) to assist the nation in addressing the economic impacts and operational challenges resulting from the pandemic. The City of Lake Forest Park allocated the limited CARES funds to maintaining City operations and assisting community partners. The ARPA funds to the City total roughly \$3.6M distributed in two tranches, 2021 and 2022, with an allocation deadline of December 31, 2024, and full expenditure by December 31, 2026.

The Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, and more equitable economy as the country recovers. Recipients may use these funds to:

- Support public health expenditures, by, for example, funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic
- Provide premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet

Within these overall categories, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities.

With the adoption of the 23/24 Biennial budget, the balance of ARPA funds allocated for small business assistance is \$300,000. There is an additional \$195,000 in unspent small business assistance funds from previously approved contracts that expired in December 2022.

Fiscal & Policy Implications

There are sufficient ARPA funds remaining, with \$300,000 being dedicated to small businesses in the 23/24 biennial budget. This would be the first allocation from those funds.

At the January 12, 2023, Council Meeting, there was a discussion of whether this contract should be executed for the full amount, equal to one-third of the ARPA funds allocated for small businesses, or a lesser amount.

Alternatives

<i>Options</i>	<i>Results</i>
• Adopt resolution authorize the Mayor to sign the grant agreement	The Mayor will sign the grant agreement with The Local 104
• Do not authorize the Mayor to sign the grant agreement	The Mayor will not sign the grant agreement with The Local 104.

Staff Recommendation

Approve Resolution 23-1883/Authorizing the Mayor to sign the American Rescue Plan Act (ARPA) Grant Agreement between the City and The Local 104 as presented.