



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 5899**  
**June 15, 2021**  
**Regular Business**

### AGENDA BILL INFORMATION

|                               |   |   |
|-------------------------------|---|---|
| <b>TITLE:</b>                 | AB 5899: American Rescue Plan Act Funds Update  | <input checked="" type="checkbox"/> Discussion Only   |
| <b>RECOMMENDED ACTION:</b>    | Receive report.   | <input type="checkbox"/> Action Needed:<br><input type="checkbox"/> Motion<br><input type="checkbox"/> Ordinance<br><input type="checkbox"/> Resolution |
| <b>DEPARTMENT:</b>            | Finance   |   |
| <b>STAFF:</b>                 | Matt Mornick, Finance Director  |   |
| <b>COUNCIL LIAISON:</b>       | n/a   |   |
| <b>EXHIBITS:</b>              | n/a   |   |
| <b>CITY COUNCIL PRIORITY:</b> | 2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability. |   |

### SUMMARY

This purpose of this agenda bill is to update the City Council on the latest information and guidance for receipt of American Rescue Plan Act funding. As of June 9, 2021, the Washington State Office of Financial Management confirmed Mercer Island will receive \$7.23 million in ARPA funding. The presentation will expand upon any additional findings received between now and June 15, 2021, from both the U.S. Department of Treasury and the State of Washington Office of Financial Management.

### BACKGROUND

On June 1, staff provided background in [AB 5883](#) on the American Rescue Plan Act (ARPA), the Federal economic stimulus package in response to the economic and public safety impacts of the COVID-19 Pandemic. Staff explained eligible and ineligible uses of the funds based on the rules set forth by the U.S. Treasury Department and sought clarification from the City Council on potential funding priorities. Staff committed to return to the City Council later this year to share more detailed project information and a recommendation for appropriating the City's share of these funds.

At the time, the U.S. Treasury Department directed cities with less than 50,000 residents in Washington – known as “Non-Entitlement Units” (NEU) – to coordinate with the State of Washington Office of Financial Management (OFM) regarding the timing and distribution of ARPA allocations. As of the June 1 City Council meeting, the ARPA allocation amount for Mercer Island was unknown. OFM confirmed Mercer Island's allocation would be proportionate to the Island's local population relative to the total resident population of all non-entitlement cities within the state.

## **DISCUSSION**

On June 8, Washington's OFM announced ARPA allocation amounts for NEU cities, along with specific instructions to acknowledge the desire for and facilitate the transfer of ARPA funds. Mercer Island was estimated to receive \$5.64 million. The OFM confirmed the City of Mercer Island will receive \$7.23 million in ARPA funds. The City is required to commit the funds by December 2024, and fully expend the funds no later than December 2026.

Staff will complete the requisite requirements to ensure the first half of the funds will be transferred by OFM to the City by June 27, 2021, contingent upon the OFM taking receipt of these funds from the U.S. Treasury Department. The second half of the funds will be received within twelve months thereafter. Any funds declined by NEU cities will transfer to the state.

As stated above, staff will return to the City Council later this year to share detailed project information and a recommendation for appropriating the City's share of ARPA funds.

## **RECOMMENDATION**

Receive report.