



MEMO TO CITY COUNCIL

Request to Include Topic on the City Council Agenda

From: Dave Miles **Meeting Date:** Sept 7, 2021
Presenter: Dave Miles **Estimated Time:** 20 mins
Topic: American Rescue Plan Act (ARPA) Funding Discussion

Recommended Council Action:

Provide an update and recommendations to Council on the potential use of American Rescue Plan Act (ARPA) funding, with follow up discussion to occur at future Council meeting.

Background:

The Federal Government has allocated a new round of COVID relief funding under what is now known as the American Rescue Plan Act (ARPA). Through the Coronavirus State and Local Recovery Funds Program (SLFRF), the City has been allocated direct funding of \$12.8M. This funding effort deviates from prior rounds of COVID-19 relief funding (CARES Act, etc.) in that the funds that the City can receive are received directly by the City, not funneled through the State. To date, the City has not requested or received any of the SLFRF funds, however an initial reporting is required and was provided by Finance to the Federal Treasury by August 31, 2021 indicating that the city has requested and expended \$0 of SLFRF funds available to date.

As stated by the US Treasury, the ARPA funding also deviates from past COVID-19 funding efforts in that the Treasury recognizes that within the funding categories, each jurisdiction has substantial flexibility to meet local needs of the community. Within the ARPA funding guidance, the Treasury has identified four general categories of uses:

- Responding to the public health emergency or its negative economic impacts
- Providing premium pay to eligible workers
- Providing government services (via revenue loss prescriptive formula)
- To make necessary investments in (water, sewer, broadband) infrastructure

Discussion:

The Council Work Session agenda item is intended to update Council on the specifics of the ARPA funding, daylight recommendations, and confirm an approach for the City to utilize the ARPA funding. In review with Legal and Finance teams, the guidance and funding can be attributed to the four funding categories in following ways:

Responding to the public health emergency or its negative economic impacts	Some or all of \$12.8M
Providing premium pay to eligible workers	Some or all of \$12.8M
Providing government services (via revenue loss prescriptive formula)	Maximum of \$4.6M of the \$12.8M
To make necessary investments in (water, sewer, broadband) infrastructure	Some or all of \$12.8M

Within each of the four categories defined by US Treasury, there is guidance on various allowances that the funding can be used for. In general, with the ARPA funding being one-time money, if the City accepts all or some of the funding, strategies to expend the money on one-time capital needs seem to make the most sense, rather than spending funds toward on-going expenses.

With that, the discussion is intended to inform Council of the general requirements and recommendations for use of the ARPA funding.

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