



Council Communication File Number: Ord 2571

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Status: Consent 2nd Reading

In Control: City Council

File Type: Ordinance

Agenda Number:

AN ORDINANCE AMENDING THE 2024 BUDGET OF THE CITY OF COMMERCE CITY BY RE-APPROPRIATING REMAINING AMERICAN RESCUE PLAN ACT FUNDING BALANCES IN THE GENERAL FUND AND FACILITIES SERVICES FUND, AND RETURNING A SURPLUS TRANSFER AMOUNT FROM THE FLEET MANAGEMENT FUND TO THE GENERAL FUND IN THE TOTAL AMOUNT OF \$2,494,500 AND AUTHORIZING THE EXPENDITURE THEREOF

Summary and Background Information:

President Joseph R. Biden signed the American Rescue Plan Act (ARPA) into law on March 11, 2020, which established the Coronavirus State and Local Fiscal Recovery Fund intended to provide support to local governments in responding to the impact of COVID-19 on their communities, residents, and business. The City of Commerce City received an ARPA allocation of \$10,505,025 directly from the U.S. Treasury Department. The first 50% tranche was received in 2021 and the second 50% tranche in 2022. The U.S. Treasury Department has provided regulatory guidance on the allowable uses of ARPA funds, which include: supporting public health response, addressing negative economic impacts, replacing public sector revenue loss, premium pay for essential workers, water and sewer infrastructure, and broadband infrastructure.

City staff has completed and documented a revenue replacement analysis following U.S. Treasury guidance on this matter, calculating a revenue loss amount well in excess of the City's ARPA funding allocation, approximately \$11.8 million for the 2020 fiscal year alone. Given this, the City has claimed its entire \$10,505,025 ARPA allocation as revenue replacement. The City is required to report on how these funds are used, via quarterly reports submitted to the U.S. Treasury Department. Revenue replacement funds can be used for government services and must be obligated by December 31, 2024 and fully expended by December 31, 2026.

City Council passed Ordinance 2533 in 2023, with first reading on 7/24/23 and final reading on 8/7/23. Through this ordinance, Council obligated \$3,075,000 worth of the City's ARPA allocation for the following items:

- \$1,500,000 for Emergency Shelter Generators and Equipment/Supplies (\$1,300,000 of this is for generators and \$200,000 for equipment/supplies)
- \$1,000,000 for a 3-Year Grant Writing Program (the unspent portion of this at the end of each fiscal year (2023, 2024, and 2025))
- \$500,000 for the Rental Assistance Program
- \$75,000 for TrackNGO Equipment

Of this, \$580,500 was spent by the end of 2023 (\$500,000 on Rental Assistance, \$72,000 on TrackNGO Equipment, and \$8,500 on Emergency Generators). The remaining balance of \$2,494,500 that was not spent by the end of 2023 lapsed at year-end and must be re-appropriated to continue remaining efforts in 2024. Ordinance 2571 is designed to accomplish that re-appropriation and seeks to do the following:

1. Re-appropriate \$1,200,000 in the General Fund for continued use on the 3-Year Grant Writing Program (\$1,000,000) and Emergency Shelter Equipment/Supplies (\$200,000).
2. Re-appropriate \$1,291,500 in the Facility Services Fund for continued use on Emergency Generators.
3. Return a surplus transfer amount of \$3,000 from the Fleet Management Fund to the General Fund (this surplus transfer exists because the actual TrackNGO Equipment was \$3,000 less than originally estimated). This \$3,000 can be re-allocated by City Council in the future.

Please see ARPA funding Obligation & Expenditure Tracking spreadsheet included in the packet for more detail.

Including the surplus transfer amount of \$3,000 being returned from the Fleet Management Fund to the General Fund, there is an unobligated ARPA funding amount of \$7,453,025 of the City's total \$10,505,025 ARPA allocation available for future use. Staff brought forth Ordinance 2574 to obligate this amount per discussion regarding the use of ARPA dollars for the Build C3 Program at the February 12, 2024 Study Session. Ordinance 2574 was approved on first reading during the 3/18/24 City Council and is scheduled to be approved on second reading during the 4/15/24 City Council meeting.

On 2/12/24, City staff proposed using the City's remaining ARPA allocation on BuildC3 Program uses. Ordinance 2574 will enact the appropriations for the BuildC3 Program line-up utilizing the City's remaining ARPA allocation on the purposes below as previously discussed. Please see additional details and information included in the 4/15/24 Council Meeting packet for Ordinance 2574.

- Housing - \$2,500,000
- Environmental - \$500,000
- Food Equity - \$400,000
- Micro-Transit - \$500,000
- Workforce Development - \$500,000
- Community Well-Being - \$1,553,025
- Emergency Rental/Mortgage/Living Assistance - \$1,000,000
- Infrastructure (including broadband) - \$500,000

Total = \$7,453,025

Jim Tolbert, Assistant City Manager, and Theresa Wilson, Director of Finance, will be available to answer questions you may have.

Staff Responsible (Department Head): Jim Tolbert, Assistant City Manager

Staff Member Presenting: Jim Tolbert, Assistant City Manager

Financial Impact:

General Fund: \$1,200,000 (re-appropriation)

Facility Services Fund: \$1,291,000 (re-appropriation)

Fleet Management Fund: \$3,000 (return of surplus transfer)

Funding Source: Federal ARPA funding

Staff Recommendation: Approve Ordinance 2571

Suggested Motion: Motion to introduce by council as seated and approve Ordinance 2571