



Council Communication

File Number: Ord 2650

Agenda Date: 11/25/2024

Version: 1

Status: Agenda Ready

In Control: City Council

File Type: Ordinance

Agenda Number:

AN ORDINANCE AMENDING THE 2024 BUDGET OF THE CITY OF COMMERCE CITY BY REVISING AMERICAN RESCUE PLAN ACT FUNDING APPROPRIATIONS 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.

Chronological History of ARPA Funding Appropriations:

- Council passed Ordinance 2533 on 8/7/24. Per this ordinance, Council obligated \$3,075,000 of the City's ARPA allocation for specific uses.
- Remaining balance of Ordinance 2533 obligations unspent at the end of 2023 were re-appropriated in 2024 per Ordinance 2571, passed by City Council on 4/15/24.
- Council passed Ordinance 2574 on 4/15/24. Per this ordinance, Council obligated \$7,453,025 of the City's ARPA allocation for specific uses.
- Staff proposed Ordinance 2650 for Council consideration on 11/25/24 to enact revisions discussed during the Build C3 Update study session item on 10/14/24. This Ordinance also includes a correction to clean up an error due to a previous

typo. The three purposes of this Ordinance are:

1. To transfer \$200,000 of existing General Fund ARPA appropriation to the Fleet Management Fund for the purchase of a bus and SUV for Community Well-Being.
2. To de-appropriate \$20,000 of existing General Fund ARPA appropriation in the General Fund to correct an over-appropriated due to a small typo in a previous ordinance.
3. To authorize the City Manager to re-allocate and transfer funds between ARPA program area uses within the same fund (primarily the General Fund), to effectively manage funds and meet expenditure deadlines.

All specific uses of ARPA funding are detailed in the attached ARPA Appropriation Summary Table.

Jim Tolbert, Assistant City Manager, 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: N/A

Funding Source: Federal ARPA funding

Staff Recommendation: Approve Ordinance 2650

Suggested Motion: Motion to introduce by council as seated and approve Ordinance 2650