

**Subject: Resolution #730 – Accepting Funds under the American Rescue Plan Act (ARPA)**

**Dept. Origin:** Mayor’s Office

**Prepared by:** Jennifer Robertson, City Attorney’s Office

**For Agenda of:** June 15, 2021

**Exhibits:** Resolution #730 with Attachments

**Proposed Council Action:**

Approve Resolution #730.

	Initial & Date
<b>Concurred by Mayor:</b>	_____
<b>Approved by City Planner:</b>	_____
<b>Approved as to form by City Atty:</b>	<u>JSR/6-10-21</u>
<b>Approved by Finance Director:</b>	_____
<b>Approved by Department Head:</b>	_____

**INFORMATION / BACKGROUND**

On March 11 President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. This legislation allocated \$1.9 trillion in aid across a variety of programs intended to address the impacts of COVID-19. Over 70 percent of the ARPA funding went towards direct individual economic impact payments (\$1,400 one-time checks for individuals with less than \$75,000 in income), providing enhanced unemployment insurance (\$300 per week in additional unemployment payments), expansion of business and individual tax credit programs, and direct funding for education and pension systems. In addition, there was substantial funding for economic development and small business relief (\$40 billion), relief for children and families (\$15 billion), housing and utility assistance (\$47 billion), food assistance programs (\$8 billion), disaster relief (\$50 billion), and state and local government fiscal aid (\$350 billion).

ARPA is not the only significant piece of legislation that has passed in the past several months supporting human services programs, economic recovery, small business support, and public health which the City of Ruston, its residents, small businesses, nonprofits, and community organizations can potentially access for relief funding. The Consolidated Appropriations Act of 2021 (\$323 billion), Washington House Bill 1368 (\$772 million), and the 2021-2023 Washington State Budget (\$3.9 billion) all have additional funding available to address economic recovery, human services, and COVID-19 relief needs. The amounts noted in parenthesis above are the funds potentially available for relief funding.

ARPA established the Coronavirus State and Local Fiscal Recovery Funds (CSFRF/CLFRF, or Fiscal Recovery Funds) to deliver \$350 billion to eligible states, metropolitan cities, counties, Tribal governments, and non-entitlement units of local government to bolster their response to the COVID-19 emergency and its economic impacts. Some cities will receive funds directly from

the U.S. Treasury, while smaller cities and towns, like Ruston, (called non-entitlement units (NEUs)) will not receive their funds directly from the U.S. Treasury. Instead, Treasury will send these funds to the Washington State Office of Financial Management (OFM) for distribution. Award amounts are based on the population of the non-entitlement unit. Ruston’s award is based on its population and will provide a total of \$235,880 in two distributions (called “tranches”) of \$117,940. The first distribution will occur this year with the second occurring in 2022. If the City provides its acceptance of the funds by June 18<sup>th</sup>, the funds should transfer on June 27<sup>th</sup>.

The funding has a broad range of eligible uses. Per the Treasury Department’s Interim Final Rule (IFR) – the federal guidance governing this program – the legislative intent of the funds is to “provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses.”

The guidance identifies the following broad categories as eligible uses of funds:

1. Responding to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
2. Providing premium pay to eligible essential workers employed by local governments, or by providing grants to eligible employers that have eligible workers who perform essential work.
3. For the provision of government services to the extent of the reduction in revenue relative to revenues collected in the most recent full fiscal year prior to the emergency, factoring in growth.
4. To make necessary investments in water, sewer, or broadband infrastructure.

The Treasury Department interprets the requirements laid out in ARPA that eligible costs “be incurred” by December 31, 2024, to require only that recipients have obligated the funds by December 31, 2024. Funds may be spent to cover such obligations through December 31, 2026. Per the IFR, the City of Ruston will be required to provide annual monitoring reports (due on October 31<sup>st</sup>) through the end of 2026 to the Treasury Department regarding the use of these funds. This funding is the most fungible due to the broad allowable uses, therefore, to the extent the City wants to fund programs or projects that may be eligible for other COVID-19-related grant funding, it may be good to consider applying for the more restrictive grants for eligible expenses and using the ARPA funds for expenses that are not eligible for the other categories of grants.

The City has taken all steps necessary to be eligible to obtain these distributions with the last action being the City sending a form indicating its acceptance of the funds. That is what tonight’s action asks the Council to authorize. Accepting the funds does not allocate the funds and does not decide how they will be spent. The action simply allows the City to receive and hold the funding until Council directs the allocation. At a later time, the City Council will need to adopt a budget amendment allocating these funds.

## **FISCAL CONSIDERATION**

By formally accepting the funds, the City will receive \$235,880 in two tranches of \$117,940. The first distribution will occur this summer with the second occurring in mid-2022. Allocation of these funds will occur at a later date via budget amendment.

**RECOMMENDATION / MOTION**

Approve Resolution #730.

MOTION: I move to approve Resolution #730 accepting ARPA funding allocated to the City of Ruston and authorizing the Mayor to take the necessary actions to accept these funds.

**RESOLUTION NO. 730**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF RUSTON, WASHINGTON, ACCEPTING A  
\$235,880 DISTRIBUTION UNDER THE AMERICAN  
RESCUE PLAN ACT CORONOVIRUS STATE AND  
LOCAL FISCAL RECOVERY FUNDS AND  
AUTHORIZING THE MAYOR TO TAKE THE  
NECESSARY ACTIONS TO OBTAIN THESE FUNDS.**

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WHEREAS, On March 11, 2021 President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law; and

WHEREAS, this legislation allocated \$1.9 trillion in aid across a variety of programs intended to address the impacts of COVID-19; and

WHEREAS, \$350 billion was allocated for state and local government fiscal aid under the “Coronavirus State and Local Fiscal Recovery Funds” or CLFRF; and

WHEREAS, under CLFRF Ruston was provided an award is based on its population; and

WHEREAS, the award allocated to the City of Ruston totals \$235,880 which will be provided to Ruston in two tranches of \$117,940, first in mid-2021 and then in mid-2022; and

WHEREAS, in accordance with RCW 35A.11.040 the City is authorized to accept grant funds for any public purpose; and

WHEREAS, the City Council finds it in the City’s interest to accept these funds and to authorize the Mayor to execute the Award Terms and Conditions and any other documents necessary for acceptance of these funds; and

WHEREAS, at a later date the City Council will consider a budget amendment to address how to allocate these funds; **NOW, THEREFORE,**

**THE CITY COUNCIL OF THE CITY OF RUSTON, WASHINGTON, DOES  
HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Acceptance of ARPA Funds.** Ruston hereby accepts the \$235,880 funding grant from the US Treasury under the American Rescue Plan Act, as distributed from the Washington State Office of Financial Management.

**Section 2. Execution of Agreement Authorized.** The Mayor is hereby authorized to execute Award Terms and Conditions and any other documents required to accept these funds.

RESOLVED this 15<sup>th</sup> day of June, 2021.

APPROVED:

\_\_\_\_\_  
Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Judy Grams, City Clerk

FILED WITH THE CITY CLERK: \_\_\_\_\_  
PASSED BY THE CITY COUNCIL: \_\_\_\_\_  
RESOLUTION NO.: 730