



Legislation Text

File #: 21-0587, **Version:** 1

Consider and take action on a resolution authorizing a formal spending plan of the American Rescue Plan Act grant funding by the U.S Treasury to the City of League City (Executive Director of Finance and Project Management)

Approval of this item will authorize a formal spending plan be submitted to the U.S. Treasury of how the American Rescue Plan Act grant dollars will be invested.

Council approved the acceptance of the American Rescue Plan Act grant funds on July 13, 2021. The purpose of the grant is to support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. The City of League City has been allocated \$10,385,742.

The ARP allows local jurisdictions to allocate any funds received through this program to a variety of expenses to include:

- A. Public Health and Economic Impacts - Eligible expenses in this category must be in response to the "disease itself or the harmful consequences of the economic disruptions". There is a sample list of eligible expenses in the Interim Final Rule (beginning on pg. 10).
- B. To respond to workers performing essential work during the COVID- 19 public health emergency by providing premium pay to eligible workers - This is outlined beginning on page 45 of the Interim Final Rule.
- C. Provision of government services to the extent of the reduction in revenue due to the COVID- 19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency (beginning bottom of pg. 51 of the Interim Final Rule)
- D. To make necessary investments in water, sewer, or broadband infrastructure - This is outlined beginning on page 63 of the Interim Final Rule (Ensure that these expenditures align with CWSRF and DWSRF).

At this time the City is looking to allocate approximately \$1,500,000 to category A - public health and economic impacts, \$205,000 to category C - revenue loss, and the remainder of the funds (approximately \$8.68 Million) to category D - necessary investments in water, sewer, or broadband infrastructure.

Within these categories staff suggests projects such as:

Category A - Public Health and Economic Impacts (\$1.5 Million)

- \$500,000 would be budgeted for reimbursement of COVID related leave and quarantine of city employees beginning March 3rd, 2021, through September 30th, 2021, for fiscal year 2021. The remaining dollars will be used towards COVID related leave and quarantine of city employees beginning October 1, 2021, through September 30, 2024 in their respective fiscal years, until all dollars are exhausted in this category. If additional dollars above the original budget amount of \$500,000 are needed, an amendment would be established, and funds reallocated from Category D (CIP Water & Wastewater projects) to extend the budget through September 30, 2024.
- \$600,000 would be allocated as a sub-award to the League City Chamber over a 3-year period (\$200,000 annual budget) to be used towards:

- Business assistance programs to accelerate the re-hiring of League City’s unemployed residents
- Financial Education/Training for small to medium size businesses in financial hardship due to COVID-19
- Business continuity programs to address the negative, economic impacts to small and medium businesses
- Digital marketing solutions for businesses that experienced negative economic impacts due to COVID-19
- Counseling, coaching, and mentoring programs
- Business advocacy for League City businesses impacted by COVID-19
- ARPA funds may be used to hire staff and/or contract personnel, as needed, to support ARPA-approved programming and/or administration.
- Annual Budget:
 - \$200,000 would be budgeted annually with the opportunity to request an amendment to the current year’s budget of \$50,000 in the first and second years. The amendment would require a detailed explanation of the use of the additional funds. (Budgets, amendments, and additional staffing are not to exceed the overall sub-award amount of \$600,000 over the three-year period). The third year’s budget will either be the remaining balance of years one and two up to \$600,000 or be re-evaluated if the original annual budget of \$200,000 is not obtained after year two. Remaining dollars in excess of the third year’s budget will be reallocated to Category D (CIP Water & Wastewater projects) to ensure all grant dollars are exhausted before December 31st, 2024.
- \$400,000 would be allocated as a sub-award to Interfaith Caring Ministries to be used towards:
 - Rental and utility assistance to those impacted by the pandemic
 - Assistance to older apartment complexes for necessary repairs with rental assistance being passed along to those tenants

Category C - Revenue Loss (\$205,000)

- Installation of new locker rooms and restrooms at PWOC
 - Will require a Budget Amendment to add project to the Capital Budget.
- (Revenue Loss for FY2021 will be calculated first quarter of FY2022) - if a loss is recognized it would reduce Category D (CIP Water & Wastewater projects) by the recognized dollar amount and programmed on a priority basis.
 - Additional Revenue Loss Project:
 - (\$350,000) Fueling Center at PWOC

Category D (\$8.68 Million)

- \$1.93 Million - Construct 10-inch water main on FM518 between (I45 and Landing Blvd) & (Landing Blvd and Palomino) (WT1904) - Currently programmed in the FY2022-2026 CIP with ARPF grant funding.
- \$6 Million - Construction of Dallas Salmon WWTP Admin, Lab & Ops Building (WW2104) - construction budgeted for \$6 Million in 2023.
- \$750,000 - After the construction contract is awarded for Dallas Salmon WWTP Admin, Lab & Ops Building (WW2104), the remaining dollars in excess of the awarded contract will be used towards a qualifying CIP project in the Water/Wastewater programs in the FY2023 CIP.

This includes projects such as:

- FY2023: WT1802 - (\$290,000) Design and Construction of SH3 IMG Ground Storage Tank (GST)
- FY2023: WT1904 - (\$2.3 Million) Construct Waterline Replacements along Pecan Forest, Highland Terrace, Clear Creek Heights subdivisions, Boden, and Bern streets.
 - The additional projects noted above would be federally procured to ensure they are eligible for reimbursement. This allows both projects to move forward regardless of the timing of the Dallas Salmon construction award.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Agenda Item 7.13.21 9A
4. Interim Final Rule
5. FAQ as of July 19, 2021

FUNDING

{X} Revenue from the American Rescue Plan Act will be deposited into fund 8022. Funding in the amount of \$5,192,871 was received in FY2021 with the remaining \$5.2 Million anticipated mid FY2022.

If approved:

FY2021

Category A (\$500,000)

- Reimbursement of COVID related leave and quarantine of city employees beginning March 3rd, 2021, through September 30th, 2021, for FY2021.

FY2022

Category A (Remainder of the FY2021 COVID Related Leave Budget) + (\$600,000)

- Remainder of the (\$500,000) budgeted for COVID related leave and quarantine of city employees beginning October 1st through September 30th
- \$200,000 to be allocated as a sub-award to the League City Chamber
- \$400,000 to be allocated as a sub-award to Interfaith Caring Ministries

Category C (\$205,000) + (Revenue Loss if applicable)

- Project to be tied to an org and object in fund 8022, COVID ARPA
 - Would require a Budget Amendment to add project to the Capital Budget (Exhibit B)
- (Revenue Loss for FY2021 will be calculated first quarter of FY2022) - if a loss is recognized it would reduce Category D (CIP Water & Wastewater projects) by the recognized dollar amount and programmed on a priority basis.

Category D (\$1.93 Million)

- \$1.93 Million - Construct 10-inch water main on FM518 between (I45 and Landing Blvd) & (Landing Blvd and Palomino) (WT1904) - Currently programmed in the FY2022-2026 CIP with ARPF grant funding.
 - Project to be tied to an org and object in fund 8022, COVID ARPA

FY2023

Category A (Remainder of the FY2022 COVID Related Leave Budget) + (\$200,000)

- Remainder of the (\$500,000) budgeted for COVID related leave and quarantine of city employees beginning October 1st through September 30th
- \$200,000 to be allocated as a sub-award to the League City Chamber

Category C (TBD)

- (Revenue Loss for FY2022 will be calculated first quarter of FY2023) - if a loss is recognized it would reduce Category D (CIP Water & Wastewater projects) by the recognized dollar amount and programmed on a priority basis.

Category D (\$6.75 Million)

- \$6 Million - Construction of Dallas Salmon WWTP Admin, Lab & Ops Building (WW2104) - construction budgeted for \$6 Million in 2023.
- \$750,000 - After the construction contract is awarded for Dallas Salmon WWTP Admin, Lab & Ops Building (WW2104), the remaining dollars in excess of the awarded contract will be used towards a qualifying CIP project in the Water/Wastewater programs in the FY2023 CIP. This includes projects such as:
 - FY2023 WT1802 - (\$290,000) Design and Construction of SH3 IMG Ground Storage Tank (GST)
 - FY2023 WT1904 - (\$2.3 Million) Construct Waterline Replacements along Pecan Forest, Highland Terrace, Clear Creek Heights subdivisions, Boden, and Bern streets.
 - The additional projects noted above will be federally procured to ensure they are eligible for reimbursement. This allows both projects to move forward regardless of the timing of the Dallas Salmon construction award.
 - Project will be tied to an org and object in fund 8022, COVID ARPA

FY2024

Category A (Remainder of the FY2023 COVID Related Leave Budget) + (\$200,000)

- Remainder of the (\$500,000) budgeted for COVID related leave and quarantine of city employees beginning October 1st through September 30th
- \$200,000 to be allocated as a sub-award to the League City Chamber

Category D (TBD)

- Remaining dollars from Category A & B to be used towards CIP Water and Wastewater Projects.

Category C (TBD)

- (Revenue Loss for FY2023 will be calculated first quarter of FY2024) - if a loss is recognized it would reduce Category D (CIP Water & Wastewater projects) by the recognized dollar amount and programmed on a priority basis.

STRATEGIC PLANNING

{X} NOT APPLICABLE