

# Mayor and Council Communication

**DATE:** 10/19/21

**M&C FILE NUMBER:** M&C 21-0805

**LOG NAME:** 13ARPA-ADMINISTRATION

**SUBJECT**

(ALL) Approve Allocation of \$1,000,000.00 in American Rescue Plan Act Funding for Administration Expenditures Over the Five-Year Period of the Grant

**RECOMMENDATION:**

It is recommended that the City Council approve the allocation of up to \$1,000,000.00 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) for administrative expenditures over the five-year grant period (City Project No. 103165)

**DISCUSSION:**

This Mayor and Council Communication (M&C) is to authorize the use of up to \$1,000,000.00 for necessary administrative expenditures incurred for the management of the American Rescue Plan Act (ARPA) funding and programming, beginning October 1, 2021 (City Project No. 103165).

The City of Fort Worth (City) direct allocation of ARPA funds under Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) is \$173,745,090.00, to be delivered in two equal tranches. The first tranche was received May 19, 2021, and on June 22, 2021, M&C 21-0445 appropriated the first tranche amount of \$86,872,545.00 and outlined priorities determined by City Management to assist in the on-going recovery effort to strengthen the physical and economic health of the community. The second tranche of \$86,872,545.00 is expected to be received on or after May 19, 2022.

As part of the management of the grant, the Financial Management Services Department (FMS) estimates it will incur expenditures of \$200,000.00 per year for administrative tasks as shown below:

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>FMS Management, Oversight, Departmental Assistance, Budget Work, Reporting, Analysis, Audit Fees</b>	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
<b>Robert Half ARPA Accounting Contractor</b>	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
<b>Baker Tilly Consulting</b>	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
<b>Total Expenditures Per Fiscal Year</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>	<b>\$200,000.00</b>

The ARPA accounting contractor and Baker Tilly previously provided assistance with and were paid from Coronavirus Aid, Relief and Economic Security Act (CARES) dollars. The City ceased using the CARES funds as of September 30, 2021 to allow time to finalize and close out the CARES project. The purchase orders in place for expenditures under CARES have been closed short at September 30th, and new purchase orders created to provide funding for the contractor and consultant work related to and funded under ARPA.

Approval of this M&C will allocate a total of \$1,000,000.00 in the Grants Operating Federal Fund budget for administrative costs, with \$500,000.00 allocated to the ARPA project from the first tranche and the remaining \$500,000.00 allocated from the second tranche of funding.

Responding to the negative economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance interprets this provision to allow ARPA funds to be used to cover expenses associated with responding to COVID and its impacts, with those expenses including, but not being limited to, "costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds."

## ALLOCATION OF ARPA SUBTITLE M FUNDING

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the October 19, 2021 Council Agenda:

		<b>M&amp;Cs</b>
<b>Total CFW ARPA Subtitle M Funding</b>	\$173,745,090.00	21-0445
<b>Allocations Approved To-Date</b>	\$ 6,000,000.00	25ARPA-VFW-TDG
<b>Pending Allocation</b>	\$ 3,000,000.00	17ARPA ALLOCATION CDFI FRIENDLY AMERICA
<b>Pending Allocation</b>	\$ 4,245,533.42	17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT
<b>Pending Allocation</b>	\$ 2,400,000.00	17ARPA ALLOCATIONS UNTHSC TECHSTARS
<b>Pending Allocation</b>	\$ 10,100,000.00	19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
<b>Pending Allocation</b>	\$ 300,000.00	25ARPA-WRMC MURAL PLAQUES
<b>Pending Allocation</b>	\$ 1,000,000.00	13ARPA-ADMINISTRATION (This M&C)
<b>Remaining Unallocated Balance</b>	\$146,699,556.58	

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

### **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the budget, as previously appropriated, of the Grants Operating Federal Fund. This is an advance grant. Financial Management Services will be responsible for ensuring that only expenditures allowable under the American Recovery Plan Act are charged to this funding source.

**Submitted for City Manager's Office by:** Jay Chapa 5804

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Expedited