



Legislation Details (With Text)

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Title: American Recovery Plan Act (ARPA) Fund - Revenue Replacement

Indexes:

Code sections:

Attachments: 1. A - ARPA Revenue Replacement Ordinance, 2. B - PQ Revenue Replacement

Date	Ver.	Action By	Action	Result
6/18/2024	1	Town Council		

American Recovery Plan Act (ARPA) Fund - Revenue Replacement

PURPOSE: This agenda item seeks Town Council approval to formally allocate all ARPA funds as revenue replacement for salaries between July 1, 2022 and June 30, 2023.

DEPARTMENT: Finance

CONTACT INFORMATION: Wendy Welsh, Grants Manager, 919.918.7302, wwelsh@carrboronc.gov

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

The Town Council approved ARPA funding for race and equity initiatives, housing and community services, and recreation projects on October 11, 2022 - Grant Ordinance #4 Fiscal Year 2022-2023. This item is requesting Council pass a new grant ordinance reallocating all ARPA funds as revenue replacement for salaries.

INFORMATION: As the ARPA funding and reporting has evolved, the federal government has given local governments the option to claim all ARPA funds as revenue replacement for salaries between 2021 and the present. This declaration means that all ARPA funds can be moved from the special fund and put into the general fund. Reporting one project of revenue replacement to the US Treasury results in much less room for error than the reporting of the forty plus projects the town has planned.

The finance staff plan to transfer the funds into the general fund to replace the revenue loss during the pandemic and will be allocated to the FY22/23 salaries. These funds will then become unrestricted funds. Funds will then be put into a project fund, maintaining project codes to keep the funds allocated to the projects the council has already approved. This will assure that no ARPA funds will expire or have to be returned.

FISCAL IMPACT: No Fiscal change.

RECOMMENDATION: Staff recommends approval of the grant ordinance (Attachment A) to reallocate the

ARPA funds to revenue replacement.