



Legislation Details (With Text)

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Title:	American Rescue Plan Act Project Ordinance PURPOSE: To recognize and appropriate funding made available to the Town by the American Rescue Plan Act				
Indexes:					
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Attachments:	1. American Rescue Plan Act Project Ordinance				

Date	Ver.	Action By	Action	Result
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TITLE:

American Rescue Plan Act Project Ordinance

PURPOSE: To recognize and appropriate funding made available to the Town by the American Rescue Plan Act

DEPARTMENT: Town Manager; Finance

CONTACT INFORMATION: David Andrews; Arche McAdoo

INFORMATION: The American Rescue Plan Act was signed into law on March 11, 2021 and provides funding to state and local governments to assist with pandemic rescue and recovery efforts. These funds may be used for a range of activities including: 1) revenue replacement for the provision of government services to the extent the reduction in revenue is due the COVID-19 public health emergency; 2) premium pay to essential employees; 3) assistance to small businesses, nonprofits, household and hard-hit industries, and economic recovery; and 4) investments in water, sewer and broadband infrastructure.

For “non-entitlement unit of local government”, of which the Town is, the United States Treasury will allocate and pay funds to state governments and the state will distribute funds to non-entitlement units of local government. It is estimated that the Town will receive \$6.2 million under the Act. Fifty percent of these funds are expected to be distributed to the Town in May 2021 with the other fifty percent distributed in 2022. All funds must be expended by the end of calendar year 2024.

The US Treasury Secretary is expected to issuance further clarification and guidance on the use of funding under the Act. Such issuance(s) will be consistent with the range of activities stated in the Act. In the meantime, the Town needs to put in place the proper protocols for the appropriation and accounting for this funding. The attached special revenue project ordinance appropriates the use of these funds for the broad activities outlined in the Act and establishes a special revenue fund to account for these funds. Should the amount of funds to be received by the Town or program activities change, this project ordinance may be

amended by the Council.

FISCAL & STAFF IMPACT: The estimated revenues to be received by the Town under the American Rescue Plan Act is \$6.2 million. These are one-time funds and there is no guarantee of such future funding.

RECOMMENDATION: It is recommended that the Town Council adopt the attached American Rescue Plan Act Grant Funding Project Ordinance.