



County of Los Alamos

Council Meeting Staff Report

August 31, 2021

Agenda No.: E.

Indexes (Council Goals):

Presenters: Helen Perraglio; Steven Lynne

Legislative File: 14602-21

Title

Presentation and Recommendation on the American Rescue Plan Act (ARPA) Allocation of Uses Plan

Recommended Action

I move that Council approve the ARPA Allocation of Uses Plan described in Attachment A as recommended by staff.

County Manager's Recommendation

The County Manager recommends that Council approve the recommended uses by general category described in Attachment A as recommended by staff.

Body

The US Department of the Treasury has allotted Coronavirus Local Fiscal Recovery Funds with the addition of the American Rescue Plan Act to Los Alamos County and requires an initial report of uses from the receipt of award through August 31, 2021. The County has budgeted the revenue received to date per DFA requirements, but has not programmed or spent any funds to date. The reporting requires that the County identify expenditure categories for planned uses of ARPA funds. The next required report will cover the time of the award through September 30, 2021.

The County has been allotted \$3,762,201 and received half of its allotment in the amount of \$1,881,100.50 as of May, 2021. The remaining half is anticipated to be received in May of 2022. ARPA funds are intended to be used over a longer term than CARES Act Funds, with an expansion of eligible uses and much more stringent reporting requirements of demographic and other statistical data. The County has the ability to spend the funds on eligible uses for the period of March 3, 2021 - December 31, 2024 with final performance of December 31, 2026.

The County has the ability to spend the award on a broad range of categories including:

- a) To respond 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;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the 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; and,
- d) To make necessary investments in water, sewer, or broadband infrastructure.

County staff has held internal meetings to discuss potential projects and uses, and assess the

feasibility of the broad range of eligible uses and recommends that in order to maximize the benefit of uses of the funds to assist the community, Council adopt the proposed allocation of uses plan. This plan allocates the division of funds between general categories a) and d) above.

Under this plan, there are several projects and/or programs the County would like to explore further for funding. For expenditure categories covered under section a), the County would like to engage in POLCO's ARPA package in order to conduct necessary polling that would assist the County in determining the most desired needs in the community of which to plan, program, and develop the budget for, and provide value-added benchmarks and demographic statistics that are needed for reporting requirements. Staff recommends using the established COVID-19 funds already adopted during the FY21 budget hearings and carried forward to FY22 to fund the survey costs which are estimated to be around \$15,000 - \$20,000. To date the County has a remaining budget of \$525,191 available for COVID-19 efforts.

The initial analysis of eligible uses under category b) presents several administrative, compliance, and feasibility challenges to the County which may make this category less feasible to consider. At this time staff is not recommending this category under its proposed plan of use.

The County will forego utilizing funds to offset reductions in government service revenue that would be eligible under category c) since it did not sustain significant revenue losses.

For eligible expenditure categories under section d), staff recommends a partial ARPA allotment to fund a portion of price escalations attributed to the negative impacts of COVID-19 for eligible investments in water and wastewater projects that have already been budgeted and planned for, but are at risk for completion due to the escalations in the bids being received. The scheduled projects will go forward as planned, and if the decision is made not to utilize ARPA funds for some of the price escalations, this could result in rate impacts to customers from the cost of financing that will have to be incurred to proceed.

Due to the long-term nature to utilize ARPA funds (March 3, 2021 - December 31, 2024 with final performance of December 31, 2026) staff will come back to Council to further identify eligible programs under the eligible categories of section a) for more detailed recommendations by seeking community input and identifying some of the hardest hit negative economic impacts to better assist in the rollout of programs and methods of distribution.

Alternatives

The Council could choose not to adopt the allocation of uses plan and defer for further discussion or alternative recommendations.

Fiscal and Staff Impact/Planned Item

The fiscal impact is presented on Attachment A.

Attachments

A - ARPA Allocation of Uses Plan

B - Presentation on ARPA and Eligible Uses