



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2022-878

Agenda Item# I. 19.

Agenda Date: 8/16/2022. **Department:** Financial & Administrative Services

Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2022 – 878 Resolution Authorizing Eligible Government Services Expenses be Used and Reported for \$59.4M ARPA Grant

Council Priority: Place an ‘x’ in the box.

- ☐ Create an Environment to Promote Economic Development Opportunities and Job Creation
- ☐ Maintain Infrastructure and Provide Sustainable Growth Opportunities
- ☐ Promote Public Safety & Reduce Crime
- ☐ Exceptional Customer Service and a Diverse City Government Workforce
- ☒ Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: All

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Marlene Druga, Ext 2094

Contact 2 and Phone: Larry Davis, Ext 2002

PURPOSE:

City Council is requested to adopt a resolution authorizing expenditures associated with provision of eligible government services be used to administer the City’s full \$59.4 million ARPA Grant award under the “general allocation” method, freeing up the City’s general revenues to support allocations to various community agencies and internal departments for projects submitted during the application process.

BACKGROUND:

The City received \$59.4 million awarded by the U.S. Treasury (UST) from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund. Monies must be spent according to the “Final Rule” which outlines certain specific eligible uses such as to address public health matters, negative economic impacts, provide premium pay and to support infrastructure needs.

The “Final Rule” further provides that funds may be generally allocated by a government by submitting eligible government service expenditures incurred by the government, up to the amount of “revenue loss” that the government sustained due to the pandemic. According to the revenue loss calculation methodology provided by UST, the City’s full \$59.4 million ARPA award qualifies to be administered under the general allocation method.

This approach allows the City to use ARPA funds to initially cover local expenditures already provided for in the annual budget, such as salaries and benefits, utility costs and most other expenditures necessary to provide municipal government services. The City’s budgeted local general revenues that would have been used to cover these government services are then made available to fund the allocations to various outside agencies and other projects, as selected by City Council. Since the allocation to outside agencies would be awarded from local funds, certain aspects of the procurement and other recordkeeping administration duties by the agencies may be reduced. More funding could then be used to support the projects’ intent rather than for administration and is considered by the School of Government to be an efficient approach.

A full accounting and reporting of the funds allocated to community agencies and to certain internal City projects is currently maintained and may be viewed on the City’s website at [American Rescue Plan | Greensboro, NC \(greensboro-nc.gov\)](https://www.greensboro-nc.gov/american-rescue-plan).

BUDGET IMPACT:

Budget adjustments will be necessary in the future to accommodate this request.

ACCOUNT NUMBER:

Fund 230 Special Revenue Fund; Various City Funds

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council adopt staff’s recommended grant administration strategy to use \$59.4 million of ARPA funds for eligible government services expenditures under the general allocation method-, freeing up the City’s general revenues to support allocations to various community agencies and internal departments for projects submitted during the application process.