



Legislation Text

File #: Ordinance 14-2021, **Version:** 3

Agenda Date: 08/03/2021

Subject:

Ordinance 14-2021: An ordinance on second reading amending Ordinance No. 36 series of 2020 known as the "annual appropriation bill" for all municipal purposes of the City of Littleton, counties of Arapahoe, Jefferson and Douglas, State of Colorado, for the fiscal year beginning January 1, 2021 and ending December 31, 2021

Prepared by: Tiffany Hooten, Finance Director

PURPOSE:

Does city council support amending the 2021 annual appropriation for the American Rescue Plan Act funds received by the city in June 2021?

PRESENTATIONS:

Staff Presenter(s): Tiffany Hooten, Finance Director

Additional Presenter(s): N/A

SUMMARY:

The city has received \$6,040,563 of American Rescue Plan Act (ARPA) funds. It is necessary to appropriate the funds to align with efforts to spend the funds. Staff provided an update at a previous study session indicating several immediate needs that align with allowed uses of ARPA funds. This action will amend the 2021 budget for the first allocation of funds.

This amendment has been reduced from the original amount of \$6,040,563 noted on first reading July 20, 2021 due to the lack of certainty on allowable use of funds.

PRIOR ACTIONS OR DISCUSSIONS:

Staff provided information related to ARPA at the July 6, 2021 study session.

This ordinance passed on first reading on July 20, 2021; however, staff has reduced this amount to \$1,500,000 on second reading.

ANALYSIS:

Staff Analysis

The city was notified in March 2021 that it would be receiving an allocation of funding under ARPA. Staff briefed council on these funds on April 13, 2021. Additional information was provided by the U.S. Treasury in May 2021; however, guidance and information will continue to be provided over the next 3 ½ years.

Originally, it was indicated that the city will receive approx. \$10.3 million in ARPA funds. Recent information indicates the city will be receiving \$12,081,126. The city received \$6,040,563 in June 2021. Additionally, the

city will be receiving a second tranche of \$6,040,563 in June 2022. Staff will incorporate the appropriation of the second payment with the 2022 budget appropriation and process.

The city has until December 31, 2024 to spend the ARPA funds. It is important for the city to evaluate needs, identify alignment with allowable use of funds and leverage funds where available. Staff has been developing a lengthy list of needs within the organization and continues to identify eligible and recommended uses of these funds. Initially, there are several immediate uses of ARPA Funds. The following is a list of identified uses of ARPA funds. These projects align with eligible uses of ARPA funds and have been identified as immediate needs of the city.

<u>2021 Budget</u>	
\$ 8,000	Virtual Court
\$ 48,983	Grant accountant*
\$ 100,000	Website design/implementation
\$ 40,000	Cybersecurity*
\$ 40,000	City-wide recruitment*
\$ 140,000	Library/Museum personnel*
\$ 32,000	Door security at Littleton City Center
\$ 408,983	Total

* Items may have additional expenditures through 12/2024 and will be discussed and evaluated during budget sessions each year.

The following is information on each noted item.

- Virtual court - an add-on software module for coordination with the public for virtual court.
- Grant Accountant - additional term-limited staff support to assist in managing ARPA and related grants.
- Website design/implementation - initial steps in re-design of city website. It is anticipated there will be an additional need of \$150,000 which will be discussed as part of the budget process.
- Cybersecurity - to address cybersecurity concerns and risks that continue to plague organizations and the city.
- City-wide recruitment - the city anticipates recruitment challenges through the balance of the year.
- Library/Museum personnel - this was discussed with council on April 13, 2021.
- Door security at Littleton City Center - security efforts are needed at the Littleton City Center.

This amendment has been reduced to \$1,500,000 from \$6,040,563 on first reading due to the lack of certainty on allowable use of funds and to allow council and staff to focus on the 2021/2022 budget process. This amount provides the potential to address some additional needs that may arise prior to January 2022, such as homelessness action plan items and technology infrastructure. If approved on 2nd reading on August 3, staff will move forward with expending funds as noted.

Council Goal, Objective, and/or Guiding Principle

Council's Goal 2: Financial Sustainability, Objective 4: Leveraging One-Time Recovery Funds

Fiscal Impacts

The city will be appropriating \$1,500,000 reduced from \$6,040,563 on first reading of ARPA funds, creating a

separate internal fund to account for these funds and utilizing the funds for the listed immediate expenditures as noted above. Any amounts not expended by the end of each year will be carried forward as part of the annual encumbrance carry over budget amendment.

The following fund will be amended:

Grants Fund	\$1,500,000
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Alternatives

Option 1 - Approve amending the 2021 annual appropriation bill to appropriate ARPA funds as recommended.

Option 2 - Do not approve the amendment.

STAFF RECOMMENDATION:

Staff recommends approval of the amendment to the 2021 annual appropriation bill. This action is to appropriate funds; staff will be managing expenditures related to these projects/services.

PROPOSED MOTION:

I move to approve Ordinance 14-2021 on second reading amending Ordinance No. 36 series of 2020 known as the "annual appropriation bill" for all municipal purposes of the City of Littleton, counties of Arapahoe, Jefferson and Douglas, State of Colorado, for the fiscal year beginning January 1, 2021 and ending December 31, 2021.