



City of Racine, Wisconsin

COMMON COUNCIL AGENDA BRIEFING MEMORANDUM (ABM)

COMMITTEE: Finance Committee

LEGISLATION ITEM #:

AGENDA DATE: August 12, 2024 Finance and Personnel

August 20, 2024 Common Council

ABM Prepared by: Finance Director, Kathleen Fischer

SUBJECT:

Communication sponsored by Mayor Mason on behalf of the Finance Director to reallocate the City direct American Rescue Plan Act funds to various programs to comply with the encumbrance requirements of the grant.

BACKGROUND AND ANALYSIS

The City has been allocated \$46,246,465.00 from the federal government in the American Rescue Plan Act. The purpose of these funds is to help local governments recover, stabilize and restart the local economy and city budget that has been negatively affected by the COVID-19 pandemic. Furthermore, it is also recommended that these funds be targeted to address distressed communities disproportionately affected by the pandemic. The funding also aligns with the City's goals of addressing inequities and disparities and ensuring a strong and thriving community.

In November of 2021 the Common Council approved the allocation of the City direct ARPA funds to various programs. The allocation and the associated programs can be found on the attached spreadsheet. The spenddown and encumbrance requirements of the ARPA grant requires all grant funds to be encumbered by **December 31, 2024**. Some of the programs that the funds were originally allocated for have cost less than anticipated or were not utilized to the levels anticipated. Because these funds **MUST** be encumbered by December 31, 2024 or we must return them to the Federal Government, we are requesting that \$8M of City direct ARPA funds be reallocated to other programs to comply with the requirement of the grant and ensure that the funds are encumbered by year end.

RECOMMENDED ACTION:

That the finance director be authorized to allocate \$8,109,086 of available City ARPA funds as follows:

		Balance	-	Balance
		Before	Increase	After
<u>Program</u>	<u>Project Number</u>	<u>Transfer</u>	<u>(Decrease)</u>	<u>Transfer</u>
FINANCIAL EMPOWERMENT CENTER	22917	397,549.00	\$ 100,000.00	497,549.00
GROW RACINE MINI GRANTS-NON PROFIT	22918	31,000.00	\$ (5,000.00)	26,000.00
LINCOLN KING CLINIC/COMMUNITY CENTER	22912	10,000,000.00	\$ 8,000,000.00	18,000,000.00
VIOLENCE PREVENTION	22913	193,061.00	\$ 14,086.00	207,147.00
GRANT WRITER	NA	107,829.00	\$ (59,086.00)	48,743.00
OUTREACH	22908	244,748.00	\$ (175,000.00)	69,748.00
SIGNING BONUSES	NA	(979.00)	\$ 979.00	-
STUDENT LOAN DEBT REPAYMENT	22909	1,100,431.00	\$ (750,000.00)	350,431.00
HOMEBUYER DOWN PAYMENT ASSISTANCE	22906	2,227,504.00	\$ (2,127,504.00)	100,000.00
HOUSING REVITALIZATION	NA	6,156,600.00	\$ (3,253,475.00)	2,903,125.00
SUSTAINABILITY	22915	595,000.00	\$ (595,000.00)	-
CAREERS IN TRADES SCHOLARSHIP PROGRAM	22910	398,700.00	\$ (350,000.00)	48,700.00
YOUTH JOBS	22905	1,206,502.00	\$ (200,000.00)	1,006,502.00
WORKFORCE MANAGER	22905	600,000.00	\$ (600,000.00)	-
		<u>\$23,257,945.00</u>	<u>-</u>	<u>\$ 23,257,945.00</u>

Fiscal Note: \$8,109,086 of City Direct American Rescue Plan Act (ARPA) funding will be reallocated to various US Treasury authorized projects. These ARPA funds are currently uncommitted and must be encumbered by year end.
