



Legislation Text

File #: 21-0268, **Version:** 1

Summary

To: Town Commission
From: Stefan Massol, Director of Finance
Date: 9/7/2021

Subject:

Approval of American Rescue Plan (ARPA) Grant Agreement

Summary:

Town of Belleair has received an agreement from the State of Florida for American Rescue Plan grant funding that requires approval.

Background/Problem Discussion: The American Rescue Plan Act (ARPA) of 2021 provides substantial funding to governments impacted by COVID-19. Staff expects the Town to receive \$2,133,637 in two tranches. The first tranche is for \$1,066,818 and will be disbursed in the weeks ahead. Unlike other grant funds, the ARPA funding will be distributed as an advance payment. It will be the responsibility of the Town to identify eligible uses for the funds in order to retain the full amount.

Funds may be used to directly offset expenditures related to COVID-19, and investments in water and sewer infrastructure. They may also be used to offset implied revenue shortfalls over three years beginning in fiscal year 2019-20. Using the guidance and formula provided by U.S. Department of Treasury staff is preliminarily estimating a calculated revenue shortfall of between \$1,200,000 and \$1,900,000 over those three fiscal years. Actual revenue shortfall will not be known until the end of fiscal year 2021-22. The Town should plan to use somewhere between \$500,000 and \$1,000,000 of funds on other direct eligible expenditures, such as water, sewer, storm sewer projects or other COVID response costs. Any projects funded with ARPA grant dollars will require compliance with federal regulations such as prevailing wage (Davis-Bacon).

The agreement is enclosed for your review.

Recommendation: Approval of American Rescue Plan (ARPA) Grant Agreement with Florida Division of Emergency Management.

Proposed Motion: I move approval of the American Rescue Plan (ARPA) Grant Agreement with Florida Division of Emergency Management.