



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: American Rescue Plan Act (ARPA) Final Allocation

DEPARTMENT: Finance

PREPARED BY: Lane Millar

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

Amend the FY 2023-2024 and FY 2024-2025 budgets to incorporate updates to the ARPA allocation; and

Adopt a Resolution of the City Council Approving the Obligation and Allocation of State and Local Fiscal Recovery Funds allocated through the American Rescue Plan Act (ARPA)

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

Financially stable, effectively run city with an engaged public

DISCUSSION

The City of Eureka received a total of \$6,389,600 in American Rescue Plan Act (ARPA) funding, distributed in two equal installments during FY2021-22 and FY2022-23. These funds were provided to support pandemic recovery efforts and address economic impacts.

On December 7, 2021, the City initiated its first attempt to allocate the ARPA funding as part of its Strategic Visioning process. Subsequently, in early 2022, the U.S. Department of Treasury issued its final rule, which included detailed guidance and reporting responsibilities for the use of ARPA funds. In response, the City updated its ARPA allocation during the FY2023-24 budget process to ensure compliance with the final guidelines.

Since the initial allocation and subsequent updates, final costs have been determined for many of the funded projects, and additional needs have been identified. Staff is now proposing a final update to the ARPA allocation to ensure all remaining funds are fully

obligated. Staff anticipates that the remaining funds will be expended by the end of FY2024-25.

To implement this update, staff recommends amending the FY2023-24 and FY2024-25 Adopted Budgets to reflect the proposed changes. If any projects receiving these commitments are completed under budget, staff proposes transferring the unused funds to the Public Works Operations Complex project. This project is in the early stages of a multi-year effort, and additional funding would support its progression.

For detailed information about the allocation changes, please refer to the attachment titled "ARPA Allocation December 2024 Update."

For detailed information about expenditures by project to date and the encumbered amounts by project, please refer to the attachment titled "Summary of ARPA Expenditures as of December 2024."