



Proposed ARPA Spending Plan

City of Fullerton, CA
February 15, 2022



Recommendations

1. Obligate and appropriate the remaining \$16.5 million of unobligated ARPA funds to program / project areas in accordance to US Treasury guidelines and formally approve and adopt the ARPA Spending Plan of \$32.7 million in final form (using the Attachment 2 template).
2. Authorize the City Manager or designee to execute and administer agreements and issue purchase and change orders per City Council approved ARPA Spending Plan in final form and within project and program budgets.
3. Ratify obligation and appropriation of \$2 million of the \$11.6 million of ARPA allocation for Revenue Replacement within City Manager authority towards non-budgeted Water Main Replacements.



American Rescue Plan Act (ARPA) - Background

- HR 1319 American Rescue Plan Act (ARPA) - Provides \$130 billion in Federal funding relief to local governments in responding to effects of COVID-19.
- Primary eligible uses:
 - To respond to the pandemic or its negative economic impacts;
 - For premium pay to eligible workers performing essential work during the pandemic;
 - For the provision of government services to the extent of the reduction in revenue (Revenue Replacement);
 - To make necessary investments in water, sewer, or broadband infrastructure.
- Fullerton's total allocation is \$32.7 million
 - \$16.35M received in May 2021; \$16.35M to be rec'd in May 2022



ARPA - Ineligible Uses of ARPA Funds

- Deposits into Pension Funds or Paydown of Pension Liability;
- Federal Grant Matching Requirements or Level of Effort Uses;
- Paying Down Outstanding Debt or Debt Service Payments;
- Direct Replenishment or Deposits into Financial Reserves or Rainy Day Funds;
- Settlements, Judgments or Consent Decrees



ARPA – General Program Requirements

- ARPA grant time period is from March 3, 2021 to December 31, 2024
 - ARPA funds for eligible costs must be incurred or obligated within this time period by December 31, 2024;
 - Spent on direct and indirect costs within allowable US Treasury categories.
- Direct US Treasury Expenditure Categories (7): *Public Health, Negative Economic Impacts, Services to Disproportionately Impacted Communities, Premium Pay, Infrastructure (Water, Sewer & Broadband), Revenue Replacement, & Administrative Costs.*
- Revenue Replacement – Provides the “broadest” and most “flexible” use of ARPA Funds
 - Can support any government services or discretionary projects/programs up to the Revenue Loss Amount (*unless Treasury has stated otherwise*).
 - Initial Revenue Replacement was first estimated to cover full \$32.7M (**est. August 2021**)
 - **Revenue Replacement now estimated to be \$24M-\$27M; maximum \$20M is recommended**



US Treasury Expenditure Categories

EC #	Eligible Use Category	Examples of Allowable Uses
1	Public Health	COVID-19 Testing/Vaccinations; PPE Equipment; Medical Expenses; Capital Investment in Public Facilities responding to health emergency; Payroll for Public Safety & Health Officials; Other Public Health Services
2	Negative Economic Impacts	Household Assistance Programs (i.e. rent, utility grants etc.); Unemployment Benefits; Job Training Assistance; Small Business Assistance; Aid to Tourism or Impacted Industries; Other Economic Support; Re-hiring Public Sector Staff
3	Services to Disproportionately Impacted Communities	Education Assistance; Healthy Childhood Environments; Housing Support (Affordable & Unhoused), Other Social Services
4	Premium Pay	Premium Pay for Essential Workers



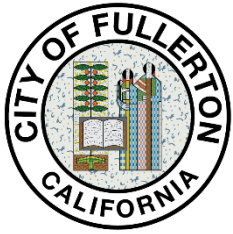
US Treasury Expenditure Categories

EC #	Eligible Use Category	Examples of Allowable Uses
5	Infrastructure-Sewer, Water & Broadband	<p>Infrastructure Projects in accordance to Clean Water State Revolving Fund & Drinking Water State Revolving Fund.</p> <p>Broadband Infrastructure to improve accessibility and greater access of information and tele-communications.</p>
6	Revenue Replacement	<p>Provision of Government Services: Can include ANY general government services; Streets & Roads Infrastructure; IT Infrastructure improvements (non-broadband); and miscellaneous additional support for City initiatives and/or programs.</p>
7	Administrative	<p>Salaries/Benefits of staff administering ARPA funds; administrative overhead expenses; and/or consultants to provide ARPA oversight and/or reporting compliance.</p>



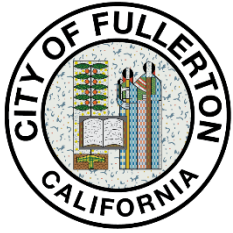
Proposed Unobligated ARPA Spending Plan \$16.5M

Project Priority Rank	Project/ Program Name	Description	US Treasury General Category	City Manager Recommended	City Council Approved
1	ARPA Administration	Expenditures related to ARPA Administration and required Federal grant reporting through FY2023-24 or final reporting	Administrative	\$ 1,370,000	
2	Street Rehabilitation	In conjunction with planned water pipeline replacements to support stable infrastructure	Revenue Replacement	\$ 10,000,000	
7	FD Station Alerting System	To operate on a reliable communications system and provide services to the community in a timely manner	Public Health	\$ 300,000	
8	Fullerton Community Center Portable Generator	To be used in the event of an emergency	Public Health	\$ 454,706	
9	FD Quint Fire Truck	Replacing an aging and out of compliance fire apparatus to a Quint Truck with water pumping capabilities	Revenue Replacement	\$ 850,000	
13	Cashiering, Utility Billing, General Billing System Upgrade	Improve data collection and analysis, online service delivery and security over customer and related banking information	Revenue Replacement	\$ 1,400,000	
14	Fullerton Series Lighting Replacement	Functional street lights promote safe traffic conditions and thereby support the safety of the community	Revenue Replacement	\$ 1,200,000	



Proposed Unobligated ARPA Spending Plan \$16.5M

	Project/ Program Name	Description	US Treasury General Category	City Manager Recommended	City Council Approved
16	Perimeter Security Fencing at Independence Park Swim Complex	To prevent break-ins, an 8 foot tall spear head fence is needed	Revenue Replacement	\$ 450,000	
17	Utility Subsidy Program	Assist single-family residents financially impacted by COVID-19	Negative Economic Impacts	\$ 100,000	
18	Re-instatement of Nonregular Staffing for Passport Services	Restore passport services offered by the City	Negative Economic Impacts	\$ 30,000	
19	Children's Services Librarian	Re-instate and re-hire 1.0 FTE to support Library operations	Negative Economic Impacts	\$ 100,000	
20	Amerige Stadium Netting	Prevent baseballs from landing in the FCC courtyard, patios, walkway and parking lot	Revenue Replacement	\$ 150,000	
21	Swim Scholarship Funding for Disadvantaged Youth	Provides access to youth sports for disadvantaged youth in the community	Negative Economic Impacts	\$ 50,000	
22	Library Employee Re-instatement	To restore and support part-time labor staff that was laid off due to pandemic	Negative Economic Impacts	\$ 50,000	
Total ARPA Remaining to be Obligated				\$ 16,504,706	



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