



CITY OF MENIFEE

SUBJECT: American Rescue Plan Funds Update

MEETING DATE: November 20, 2024

TO: Mayor and City Council

PREPARED BY: Margarita Cornejo, Deputy Finance Director

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Receive summary update on American Rescue Plan Act (ARPA) funds expended and remaining funds to be expended; and
2. Approve a budget transfer in the amount of \$809,080.55 (Grant Fund), reprogramming ARPA funds from CIP 20-13: Paloma Wash Pedestrian Bridge and CIP 23-13: ARP-Cherry Hills Facility Improvements Project to CIP 19-15: Central Park Amphitheater; and
3. Approve a budget transfer in the amount of \$809,080.55 (General Fund), reprogramming from CIP 19-15: Central Park Amphitheater to CIP 20-13: Paloma Wash Pedestrian Bridge and CIP 23-13: ARP-Cherry Hills Facility Improvements Project.

DISCUSSION

On March 11, 2021, Congress and the executive branch passed the \$1.9 trillion ARPA economic stimulus plan intended to address the ongoing impacts of the unprecedented COVID-19 pandemic. All local governments, including the City of Meniffee received direct funding to help bridge budget shortfalls and mitigate the impacts of COVID-19. The ARPA provides that the funds can be used for COVID-19 related expenses incurred between March 3, 2021, and December 31, 2024.

The City of Meniffee has received just over \$13.2 million in direct federal assistance as part of the ARPA program. As part of the federal program requirements, all ARPA funds must be encumbered by December 31, 2024, and fully expended by December 31, 2026. As the City navigated the impacts of COVID-19, short- and long-term, the City's plan and strategy for the use of these funds has been a phased-in approach/plan to maximize the use of the funding that truly meets the needs of the community. Since the receipt of these funds, the City has reviewed ARPA funding uses as part of its regular budget development and reviews. Most recently, during the fiscal year (FY) 2024/2025 Mid-Cycle Budget review process, the distribution of the City's ARPA funds was

reviewed and included reprogramming of funds towards high priority projects that could be completed within the required period.

Table 1 below provides a summary of all ARPA funding allocations through November 1, 2024, and remaining balances:

TABLE 1: ARPA FUNDING SUMMARY TABLE

CATEGORY	PROJECT DESCRIPTION	PROJECT STATUS	AMOUNT ALLOCATED (\$)	REMAINING BALANCE (\$) AS OF 11/1/2024
Support Public Health Response	Menifee PD: Micro-Robots	Completed	\$9,999.00	\$0
Replace Public Sector Revenue Loss (Government Services)	FY 21/22 Salaries (Personnel Costs)	Completed	3,616,644.00	0
Replace Public Sector Revenue Loss (Government Services)	Human Resources: Neo-Gov Training Module	Completed	61,513.00	0
Replace Public Sector Revenue Loss (Government Services)	Information Technology: Smart Cities & Broadband Master Plan	Completed	157,050.00	0
Support Public Health Response	Mass Notification System - Would provide a dedicated system/solution to communicate with the public regarding public health updates (e.g. COVID-19) and other emergency alerts.	Completed	119,505.00	0
Water & Sewer Infrastructure	Holland Road Sewer & Recycled Water Improvements - Adding recycled water/sewer components for existing properties.	Completed	500,000.00	0
Replace Public Sector Revenue Loss (Government Services)	M.E.N.U Grant Program - Provides direct economic support to start-up businesses	Completed	30,000.00	0
Support Public Health Response	City Hall/PD HQ Enhanced Cleaning services, PPE, masks, COVID-19 testing etc.	Completed	37,652.00	0
Replace Public Sector Revenue Loss (Government Services)	FY 21/22 Salaries (Personnel Costs) & Home Repair Program (\$250k)	Completed	2,010,210.00	0
Replace Public Sector Revenue Loss (Government Services)	Fire Station #68 Tenant Improvements Project	Completed	329,259.00	0
Replace Public Sector Revenue Loss (Government Services)	New Fire Station #5 Construction	Completed	1,000,000.00	0
Replace Public Sector Revenue Loss (Government Services)	Purchase & Tenant Improvements of Cherry Hills Property (Police Substation) (CIP 23-13)- Provides an opportunity to use funding as one-time use to help address/alleviate spacing needs.	Underway	2,215,000.00	277,711.55*

CATEGORY	PROJECT DESCRIPTION	PROJECT STATUS	AMOUNT ALLOCATED (\$)	REMAINING BALANCE (\$) AS OF 11/1/2024
Replace Public Sector Revenue Loss (Government Services)	JOBS Program (Economic Development)	Underway	158,334.00	79,168.51
Replace Public Sector Revenue Loss (Government Services)	CIP Program: Paloma Pedestrian Bridge (CIP 20-13)	Underway	531,369.00	531,369.00*
Replace Public Sector Revenue Loss (Government Services)	CIP Program: Central Park Amphitheater (CIP 19-15)	Underway	1,841,667.00	832,930.06
Replace Public Sector Revenue Loss (Government Services)	CIP Program: Kay Cenicerros Display Sign (CIP 25-10)	Underway <i>(Proposed Reprogramming of balance to CIP 24-22 11/20/2024 Agenda Item)</i>	50,000.00	7,034.92
Replace Public Sector Revenue Loss (Government Services)	CIP Program: Sun City Boulevard Street Medians Project (CIP 24-22)	Underway <i>(Proposed Agreement 11/20/2024 Agenda Item)</i>	100,000.00	100,000.00
Replace Public Sector Revenue Loss (Government Services)	Menifee PD Patrol Vehicles Purchase	Underway <i>(Proposed PO 11/20/2024 Agenda Item)</i>	445,472.00	445,472.00
TOTAL			\$13,213,674.00	\$2,273,686.04

*Recommended reprogramming funds to CIP 19-15: Central Park Amphitheater Project.

Efforts for CIP 20-13: Paloma Wash Pedestrian Bridge and CIP 23-13 ARP-Cherry Hills Facility Improvements Project are underway. However, based on the current project schedules, the contract/encumbrances would not be able to be issued prior to the December 31, 2024, timeline. Therefore, staff is recommending these remaining funds within the Grant Fund of \$277,711.55 and \$561,369.00, for a total of \$809,080.55, be reprogrammed towards CIP 19-15: Central Park Amphitheater Project. This will not increase the funding total of CIP 19-15: Central Park Amphitheater Project. A transfer of \$809,080.55 out of the CIP 19-15: Central Park Amphitheater Project within the General Fund would be completed to maintain the project's budget.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

The fiscal impact of the recommended action(s) does not increase overall approved budget appropriations, but instead transfers \$809,080.55 of previously allocated ARPA funds from the Paloma Pedestrian Bridge (CIP 20-13) and Cherry Hills Property (CIP 23-13) to the Central Park Amphitheater (CIP 19-15), and transfers \$809,080.55 from the Central Park Amphitheater (General Fund) to the two projects. This ensures all ARPA funds are encumbered and expended

within the federal guidelines and maintains previously approved funding for the Paloma Wash Pedestrian Bridge and Cherry Hills Property projects.

TABLE 2 – ARPA REPROGRAMMING TRANSFER TABLE

Project	Fund	Anticipated Transfer In/(Out)
CIP 23-13: Cherry Hills Property Improvements	2301	\$(277,711.55)
CIP 20-13: Paloma Wash Pedestrian Bridge	2301	\$(531,369.00)
CIP 19-15: Central Park Amphitheater Project	2301	\$809,080.55
Total 2301 Grant Fund		\$0.00
CIP 23-13: Cherry Hills Property Improvements	1100	\$277,711.55
CIP 20-13: Paloma Wash Pedestrian Bridge	1100	\$531,369.00
CIP 19-15: Central Park Amphitheater Project	1100	\$(809,080.55)
Total 1100 General Fund		\$0.00
Total Overall Budget Impact		\$0.00

ATTACHMENTS

None.