



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee
FROM: Vicky Carlsen, Finance Director
BY: Julie Hatley, ARPA Funds Analyst
CC: Mayor Ekberg
DATE: September 11, 2023

SUBJECT: First Half of 2023 American Rescue Plan Act (ARPA) Fund Expenditures and Benefits to our Community

ISSUE

Staff is reporting the First Half of 2023 ARPA-funded expenditures, and information detailing the benefits of the expenditures to the community, per 2023 budget allocations approved by City Council through the 2023-2024 biennial budget process.

BACKGROUND

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan Act, was approved and provided funding in several areas including state and local aid, education, rental assistance, and transit. The City was allocated \$5.68 million with the first half received in June of 2021 and the second half received in July of 2022. Funds must be spent or contractually committed by December 31, 2024.

DISCUSSION

The tables that follow outline the First Half of 2023 ARPA-funded expenditures from January 1, 2023, to June 30, 2023, per data available through August 15, 2023. Each expenditure meets Treasury compliance requirements and directly or indirectly benefits the visitors, residents, and businesses in our community.

Administrative Services:

Table with 5 columns: Allocation, Total 2023 Allocation, Q1 & Q2 Expenditures, Funds Remaining for Q3 & Q4, and Community Benefits Summary. Row 1: DarkTrace Cyber Security, \$25,000, \$28,239, \$0, *Specific details not released to ensure security risk is not created. *Over budget by \$3,239 due to inflationary cost increase.

Administrative Services:

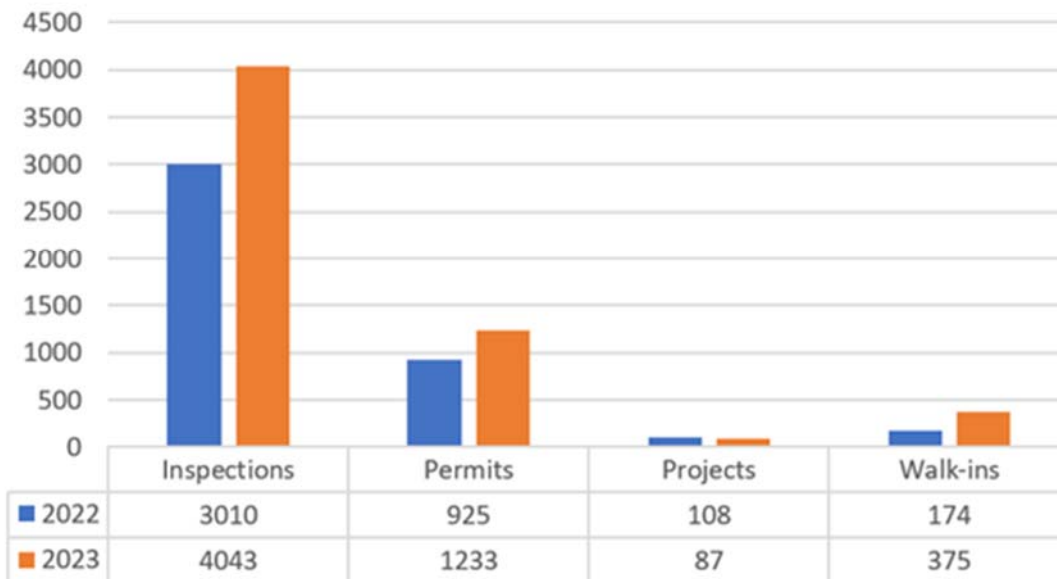
Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
Leadership Initiative	\$25,000	\$0	\$25,000	*Renamed Tukwila City Leadership Initiative (TCLI). Formerly Community Connectors. *Program relaunching October 2023. See updated TCLI webpage for objectives and timeline of weekly meetings. * https://www.tukwilawa.gov/departments/administrative-services/tcli/

Community Development:

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
Permit Processing (2 positions)	\$246,429	\$122,754	\$123,675	*Permit Center service capacities increased January to June 2023 compared to same period in 2022. See graph. *In January 2023, Permit Center increased public access days from two to three days per week.

Permit Processing Increased Service Capacity in First Half 2023 Compared to 2022

2022 vs 2023 January - June



Finance Department:

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
ARPA Funds Analyst	\$141,511	\$71,297	\$70,215	<ul style="list-style-type: none"> *Reconcile each individual expenditure for all department allocations (monthly, quarterly, half-yearly, and annually). *Prepared & successfully submitted 2022 ARPA annual report to US Treasury. *Recorded & reported ARPA expenditures for 2022 State Audit. *Researched options to request additional ARPA funds from WA State (no programs available).

Public Works:

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
Residential Street Maintenance (2 positions) (Fund 103)	\$225,641	\$108,773	\$116,868	<ul style="list-style-type: none"> *Snow and ice operations. *Vegetation control, trimming ROW and sight distances. *Dead and dangerous tree removals. *Sweeping and disposals. *Graffiti removed from ROWs. *Maintain street scape weeding, spraying herbicide, irrigation, replacing, trimming and mulching over 175,000 sq feet of plants and trees in ROW areas. *Asphalt repair, using 60 ton of hot asphalt, for potholes and other repairs every week City wide. *Annual pavement striping: white fog and pedestrian pathways, yellow center line and center curbing. *Bridge deck cleaning of sand and vegetation. *Homeless encampment cleanups: 180th under bridge, 146th, SCBLVD, 42nd crossing and WVH pedestrian bridge. *Litter control, bus stop cleaning, and illegal dumping cleanups totaling: Bus Stop Litter = 10,000 lbs. ROW Litter = 12,000 lbs. Encampment Cleanup Material = 10,000 lbs. <p><u>Benefits of Maintenance:</u></p> <ul style="list-style-type: none"> *Public safety. *Resident preference and inviting environment for visitors. *Maintain infrastructure. *MUTCD required maintenance. <p>Department reports "We hold ourselves to a high standard to do the best job we can. However, we need more personnel."</p>

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
Traffic Calming	\$400,000	\$15,469	\$384,531	<p><u>Neighborhood Traffic Calming Program (NTCP)</u> Cascade Elementary School Safety Improvements: -Speed/traffic counts and engineering analysis completed. -Engineer recommendations expected by September 2023.</p> <p><u>2023 Overlay Program</u> 119th/42nd Ave. S Pedestrian Crossing: -Work has started. -Completion expected by October 2023.</p> <p><u>City-wide Traffic Radar Feedback Signs</u> -Cloud-based program support and access to data for radar feedback signs. -Continuous work.</p> <p>*Per Public Works staff, all allocated ARPA funds will be spent. However, due to timing of project completion dates, some remaining 2023 ARPA funds may need to be rolled into 2024.</p>

Recreation:

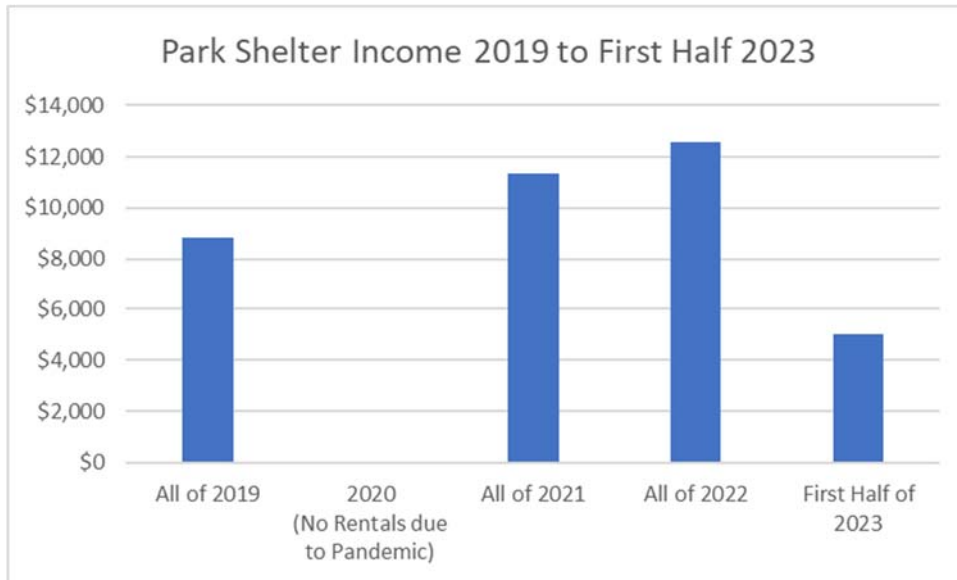
Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
YOUTH After School Activities Program & YOUTH Enrichment Classes (ASAP)	\$141,950	\$42,634	\$99,316	<p><u>Benefits</u> *Restores After School programs & frozen staff positions from pandemic. *Enrichment Instructor: Kung Fu. *ASAP: Safe childcare, homework help, STEM & educational activities, high & low energy games, art & crafts, social & emotional learning projects, free play. Field trips. *Important socialization especially after pandemic closed schools and community activities.</p> <p><u>Participation</u> *First Half 2023 Youth After School participant units 2,444. Down 16% from same timeframe in 2022 due to fees charged beginning January 2023 (no longer free program.) *When free, families were reserving ASAP slots and either never used the service or treated the program as random drop-in child care. Fee structure helped streamline participation for labor and material cost levels. *First Half 2023 Youth Enrichment participant units 690. Down 27% from same timeframe in 2022. *Only Kung Fu instructor remained from 2022. Barriers have been cost of business license and insurance. Staff is recruiting others. *Early Bird (Before School) planned to resume Fall 2023.</p>

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
PRESCHOOL Enrichment Program (ASAP)	\$28,050	\$10,384	\$17,666	<p>*ARPA funds 10 extra preschool teacher hours per week to add enrichment programming.</p> <p>*Pee Wee Picasso Art (4 to 5 year olds + caregiver), Baby and Me (0 to 1 year olds + caregiver), Miss Cindy's Play & Learn (0 to 5 year olds + caregiver).</p> <p>*Addresses negative impact of pandemic on school readiness for: social, classroom & relationship building skills, motor skills & educational enrichment needed for kindergarten success.</p> <p>*First Half 2023 participant units 220. Up 13% compared to all of 2022.</p>

Recreation:

Allocation	Total 2023 Allocation	Q1 & Q2 Expenditures	Funds Remaining for Q3 & Q4	Community Benefits Summary
Parks Maintenance (2 positions)	\$155,098	\$66,706	\$88,392	<p><u>Trash Pickup</u></p> <p>*1,600 trash can visits, removing about 1,776 bags of trash, totaling 44,400 lbs of garbage.</p> <p>*An additional 9,580 lbs of loose trash was removed (by filling a 5 lb can 1,916 times).</p> <p><u>Other</u></p> <p>*Installed 15 garbage can replacements (requiring less labor time to maintain).</p> <p>*Pressure washed TCC walkways.</p> <p>*Debris blowing, lawn care and weed control applications ongoing.</p> <p>*54 flower baskets installed along roadways.</p> <p>*Overgrown vegetation cut at Duwamish Garden and Numbered Trails 1 to 7.</p> <p>*Portable water meter and irrigation repairs at Duwamish Hill.</p> <p>*Staff reports that old equipment was replaced (using non-ARPA funds) that will save on labor.</p> <p>*Park shelter rentals below First Half 2022 level due to Duwamish and Tukwila Parks are booked for the Mobile Rec program and also residents are figuring out they can drop in to an unused shelter to avoid paying the fee.</p>

First Half 2023 Park Shelter Rental Income on Track to Exceed Pre-Pandemic Level



Summary of 2021 to 2023 Allocations and Expenditures

Actual spending data for 2021, 2022 and First Half of 2023 compared to allocations in these time periods. Budget allocations for 2023-2024 were approved based on estimates of expected spending from departments before the end 2022.

Allocations	2021 Budget	2021 Actuals	2022 Budget	2022 Actuals	2023 Budget	First Half 2023 Actuals
Traffic Calming	\$ 100,000	\$ 100,000	400,000	\$ 317,546	\$ 400,000	\$ 15,469
Before & After School	84,000	41,276	170,000	\$ 86,669	170,000	53,018
Summer Camp	50,000	50,618	100,000	\$ 56,371	100,000	-
DarkTrace	25,000	21,910	25,000	\$ 25,669	25,000	28,239
Business Assistance (1)	15,000	10,000	185,000	\$ -	190,000	-
Parks Maintenance (4)	80,000	76,910	160,000	\$ 127,637	155,098	66,706
Street Maintenance (4)	167,500	45,367	335,000	\$ 215,951	225,641	108,773
Permit Processing (4)	125,000	112,186	300,000	\$ 227,049	246,429	122,754
Council Chamber Buildout	18,000	13,283	200,000	\$ 14,493	-	-
Fire OT - Minimum Staffing	225,000	330,066	300,000	\$ 462,872	-	-
Leadership Initiative	-	-	25,000	\$ 1,869	25,000	-
ARPA Analyst	-	-	160,000	\$ 125,448	141,511	71,297
Rent/Utility Assistance (2)	-	-	500,000	\$ 232,782	135,000	-
SeeClickFix (3)	15,000	15,689	-	-	-	-
Total Allocations & Expenditures	\$ 904,500	\$ 817,307	\$ 2,860,000	\$ 1,894,357	\$ 1,813,679	\$ 466,256
Total Underspent Per Time Period		\$ 87,193		\$ 965,643		

(1) Budget not spent in 2022 so carried forward to 2023. Funding protocols not met, so 2023 funds released for 2024 reallocation.

(2) Budget not fully spent in 2022, so portion carried forward to 2023. Used non-ARPA funds for assistance, so 2023 funds released for 2024 reallocation.

(3) Budgeted originally for 2022, however, invoiced and paid in 2021.

(4) Only labor costs, for two unfrozen positions from pandemic, are funded.

Unallocated Funds Available for 2024 as Previously Reported

This chart shows the flow of ARPA funds from when the City received them to the amount of unallocated funds remaining at the end of 2022 to allocate for 2024. These unallocated funds are the result of budget allocations made and approved by the council through the 2023-2024 biennial budget process when full knowledge of actual 2022 spending was not yet known. Chart previously presented in 2022 End of Year Report to Finance & Governance Committee on February 13, 2023.

Total ARPA Grant (Beginning Balance)	\$ 5,685,000
2021 Actual Spent	817,307
2021 Ending Balance	4,867,693
2022 Beginning Balance	4,867,693
2022 Actual Spent	1,894,357
2022 Ending Balance	2,973,336
2023 Beginning Balance	2,973,336
2023 Budget Allocation	1,813,679
2024 Budget Allocation	874,893
Unallocated Amount for 2024	\$ 284,764

Updated Projected 2023 Spending Plans

This chart identifies 2023 funds that are projected to be underspent, or not used and have been released by departments, so are now available to be reallocated as proposed.

Allocations	Projected Amounts of Under/Overspent 2023 Funds
Traffic Calming	\$ -
Before & After School	10,000
Summer Camp	-
DarkTrace (1)	(3,239)
Business Assistance	190,000
Parks Maintenance	5,000
Street Maintenance	4,000
Permit Processing	-
Leadership Initiative	-
ARPA Analyst (2)	(4,000)
Rent/Utility Assistance	135,000
Estimated Total Underspent and Overspent 2023 Funds	\$ 336,761

(1) 2023 invoice cost more than budgeted estimate.

(2) Travel expenses for NLC Conference.

Estimated Total of Underspent 2023 Funds	\$ 336,761
2023-2024 Unallocated Amount	284,764
Estimated Total Available for New 2024 Allocations	\$ 621,525

PROPOSED 2024 ALLOCATION SPENDING

ARPA is a single funding source which makes it more appropriate, and easier to fully expend, on programs that already have ready-to-roll out plans, budgets, and purpose. Staff is recommending that unallocated ARPA funds be allocated to approved projects funded in 2023 but not in 2024.

2024 Allocations	Already Allocated During 2023-2024 Budget Process	Proposed New 2024 Budget Allocations
Traffic Calming	\$ 400,000	
Before & After School	170,000	
Summer Camp	100,000	
DarkTrace	25,000	-
Parks Maintenance (1)	-	149,455
Street Maintenance (1)	-	225,641
Permit Processing (1)		246,429
Leadership Initiative	25,000	
ARPA Analyst	154,893	
Total 2024 Allocations	\$ 874,893	\$ 621,525

(1) No COLA added due to not enough remaining ARPA funds.

Totals in this report are based on what we know as of August 31, 2023, and will be updated as the City progresses through the budget amendment process later this year.

Per US Treasury ARPA requirements, Cities must contractually obligate all funds by 12/31/2024 and expend funds by 12/31/26. However, budget projections and council-approved allocations have surpassed this timeline. All ARPA funds are expected to be fully expended by 12/31/24.

NEXT STEPS

Analyst continues to manage and reconcile expenditures per council-approved allocations, coordinate with departments, and will present a 2023 total spending status report to the Finance & Governance committee in early 2024. Staff will also prepare ARPA records in advance of the City’s 2023 State Audit and the April 2024 US Treasury ARPA required reporting.

RECOMMENDATION

Forward to Committee of the Whole on September 25, 2023, for consensus on proposed use of remaining ARPA funds.