



To: Gahanna City Council
Raymond Mularski, City Attorney

From: Joann Bury, Director of Finance
Laurie A. Jadwin, Mayor

Date: August 19, 2021

Re: Dept. of Finance Report to Council (August 23, 2021 Meeting)

ACTION ITEM #1 – Supplemental Appropriations

The City received the first tranche of ARPA (American Rescue Plan Act) funds July 20, 2021, totaling \$1,858,440.92. Consistent with the parameters of ARPA, the first item considered for the use of the funding for 2021 was loss in revenue and items that were foregone based on the loss in revenue the City experienced in 2020 and anticipated continued losses as we planned for 2021. The calculation was performed in accordance with the Treasury regulations as follows:

- Calculate General Revenues over the past three years prior to the pandemic. General Revenues are city-wide revenues and include all revenues with a few exceptions. Proprietary or utility revenue is generally excluded as well as federal funding. This included 2017 to 2019.
- Calculate the average annual revenue growth rate over the three full fiscal years prior to the pandemic.
- Apply the greater of, the average annual growth rate or 4.1%, to the base year revenue (2019) to determine your counterfactual revenue. There is also an adjustment factor based on the number of months elapsing since the end of the base year divided by 12. The City's average growth rate was 10.07% and was applied to calculate the counterfactual revenue and the adjusting factor was 1 as 12 months had elapsed from the base year to the end of 2020.
- Compare the counterfactual revenue to the actual revenue for the year you are calculating. In this case it is 2020.
- The calculation reflects a 2020 loss in revenue of \$3.5 million.

Departments were directed to review what was requested for 2021 and to identify any reductions that were made or projects or items foregone for 2021 that would need to be requested in a future year. The below items were identified, and the Administration is respectfully requesting a supplemental appropriation of ARPA funds for 2021 as follows:

ACCOUNT	DESCRIPTION	AMOUNT	PURPOSE
233.06.800.5225	ARP LOSS IN REVENUE PROFESSIONAL DEVELOPMENT	\$30,000	REDUCTION MADE TO THE 2021 BUDGET AND A DELAY IN SUPERVISORY PROFESSIONAL DEVELOPMENT.
233.06.800.5205	ARP LOSS IN REVENUE CONTRACT SERVICES	\$40,000	ACCESS CONTROLS UPGRADE DELAYED FROM 2020.
233.06.800.5215	ARP LOSS IN REVENUE TECH SERVICES	\$43,000	NOTIFY/AWARE CAD TO CAD INTEGRATION ALLOWS A MORE UNIFIED EMERGENCY RESPONSE DELAYED IN 2021.
233.06.800.5215	ARP LOSS IN REVENUE TECH SERVICES	\$38,000	NICE CALL LOGGING UPGRADE TO ESTABLISH THE CURRENT PD FACILITY AS A BACK-UP TO THE NEW COMMUNICATIONS CENTER DELAYED IN 2021.
233.06.800.5500	ARP LOSS IN REVENUE CAPITAL MAINTENANCE	\$35,000	FIBER SPLICING AND THE NEW COMMUNICATIONS CENTER FOR REDUNDANCY DELAYED IN 2021.
	TOTAL	\$186,000	

In addition to the above, Departments are currently reviewing the ARPA guidelines to determine what capital projects, if any, can be accomplished with these funds, such as sanitary sewer and water system-planned improvements. To the extent possible, these funds will not be used for ongoing operations, but instead will be used as intended by ARPA – i.e., to boost economic recovery and to provide aid to those most impacted by the pandemic. There is a four-year window to identify eligible uses and obligate the funds.

Legislation Needed: Ordinance
 Emergency/Waiver: No
 Vendor Name & Address: N/A

ACTION ITEM #2 – Transfer Appropriations

The chairs in Council Chambers have been identified for replacement, as the current fabric material does not allow for appropriate cleaning and sanitation to protect against the potential spread of COVID-19. CARES Act funding is still available; however, a transfer of appropriations is needed. The Administration is respectfully requesting a transfer of appropriations of CARES funds in the amount of \$5,600 from 230.06.000.5215 – CARES Act Tech Services to 230.06.000.5300 – CARES Act Materials & Supplies.

Legislation Needed: Resolution
 Emergency/Waiver: No
 Vendor Name & Address: King Business Interiors