



# City of Lathrop Fiscal Year (FY) 2021 Year-End Budget Report and Related Amendments

Item 5.4

September 13, 2021

# General Fund Summary



## GENERAL FUND YEAR-END REQUESTS SUMMARY

<i>(in millions)</i>	FY 2021 Mid- Year	FY 2021 Year- End (Unaudited)	Variance
Revenue (Includes beginning GF unallocated)	\$35.7	\$45.4	+\$9.7
Expenditures	\$28.3	\$26.3	-\$2.0
Capital Equip Replacement Reserve		\$2.0	+\$2.0
Street Repair Reserve		\$3.0	+\$3.0
Landscape Reserve		\$1.0	+\$1.0
American Rescue Plan Act/ CARES		\$3.2	+\$3.2
Unallocated Fund Balance	\$8.3	\$9.3	+ \$1.0

The City's Reserve Policy has established an acceptable reserve balance range of 10%-50% of operating expenditures, with a primary goal of 50%.

- Current projected unallocated Fund Balance is 34% of operating Expenses

# American Rescue Plan Act (ARPA)



- Through the passage of H.R. 1319, the American Rescue Plan Act (ARPA), state, tribal and local governments are expected to receive billions in much needed assistance to help offset the negative impacts of COVID-19. Lathrop is currently situated to receive \$5.8 million which is an increase of almost \$1.5 million from the original estimated allocation of \$4.3 million.
- The funds will be received in 2 equal installments one year apart, the first allocation of \$2.9 million was received in July 2021, and the final installment is expected one year later in July 2022. Staff will facilitate a future discussion on a spending plan for ARPA funds. All funds must be spent by the end of Calendar Year 2024.



# American Rescue Plan Act (ARPA)

Current regulations allow local governments to utilize funds in the following ways:



## Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



## Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



## Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



## Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



## Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



## Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access





# Council Action

Staff recommends Council to:

- The recommended FY 2020/21 budget amendments result from changes in estimates and activity through June 30, 2021, and are necessary in order for the City to meet auditing and budgetary requirements.
- In addition, setting aside funds for Capital Equipment Replacement, Street Repair and Landscaping Reserves will allow the City to be proactive in its approach to these areas without affecting its future structure and core services.





**QUESTIONS?**