CITY OF STOUGHTON
FINANCE DEPARTMENT
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To: City Council members
Tim Swadley
From: Dave Ehlinger
Re: ARPA funds request for the Finance Department
Date: September 23, 2022

As a reminder, the final rules for the American Rescue Plan Act (ARPA) allowed the city to elect to utilize the entire amount paid to the city under the Lost Revenue category. As such, this has allowed the city to spend ARPA funds subject to only a few restrictions.

For the Finance Department, I am requesting a total of $17,000 in ARPA funds for two separate areas.

Request #1 – Purchase of two (2) laptops - $2,000

When the City Hall was closed to the public back in 2020 due to COVID-19, my staff began working from home. Unfortunately, they were not provided a laptop for usage at home, but rather were required to use their own personal computer. One of those personal computers is well passed its useful life and will need to eventually be replaced (probably sooner than later).

Given that buying a personal computer for our staff would result in taxable income to the employees, it makes more sense to purchase laptops for their use at home. These laptops would of course be returned to the city when employment ends.

Information Technology/Media Services has indicated that each laptop with Windows 11 Pro would currently cost approximately $950.

Request #2 – Software subscription for DebtBook.com - $15,000

While recently attending the national Government Finance Officers Association (GFOA) conference, I saw a demonstration of a cloud-based software from DebtBook that impressed me and I feel the purchase would be advantageous to the city.

There are three areas that I see the DebtBook software assisting the city with:

(1) Debt portfolio management – The city, excluding Stoughton Utilities, currently has eleven (11) outstanding debt issues. Each debt issue is different, but the accounting affects nine (9) different funds with different allocations for each debt issue. The software would provide the necessary accounting for budget creation, year-end accruals, and mid-year balances when debt balances are requested for other municipality debt issues.

(2) Governmental Accounting Standards Board (GASB) Statement No. 87 – *Leases* – This accounting standards is required to be implemented in calendar year 2022. The software

tracks leases that the city has as both a lessee and lessor. In addition, the software calculates the required present value (PV) of these leases. The software would provide the necessary accounting for both budget creation and year-end accruals.

(3) GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This accounting standard needs to be implemented in calendar year 2023. This will include the many right-to-use software subscriptions that the County has including, but not limited to Microsoft products, Adobe Acrobat, BS&A (ERP system), GCS Municipal Collections (property taxes), ES&S Election Systems, Zoom, etc. As with the other areas, the software would provide the necessary accounting for both budget creation and year end accruals.

The annual fees for this software is tiered-based, depending upon the number of debt issues and leases that are active. The sales rep at DebtBook anticipates the city would be Tier II, thus the annual price would currently be $9,750. This would be an annual fee. My request is for 100% of the funding for the first year and 50% of the funding for the second year. Further years would be included in the department's tax levy request.

Stoughton Utilities has requested to participate in another demonstration in to determine their level of interest in the software. Should they also want to use this software, I anticipate that the combined user account for the entire City could help reduce the total annual fee because of the tiered-based pricing structure.

If you have any questions, please feel free to contact me.

Respectfully submitted,

David P. Ehlinger, CPA
Director of Finance/Comptroller