American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF)

Highlights presentation

City of Stoughton Common Council

May 24, 2022

Key dates (historical)

- 03/11/2021 – ARPA legislation passed
  - $350 billion in pandemic related aid
  - This includes $130.2 billion in State and Local Fiscal Recovery Funds to local governments
- May 2021 – Interim final rules issued
  - https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf
  - An exciting bedtime reading of 151 pages
- 06/25/2021 – City of Stoughton received $686,311.71 in ARPA funds passed through from the State of Wisconsin (50% of our total allocation)
- 09/28/2021 – Baker Tilly invoices City of Stoughton for $3,456 for Lost Revenue calculations based upon interim final rules.

Key dates (historical - continued)

- 01/27/2022 – Final rules issued
  - https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf
  - Another page turner but reduced to only 117 pages
  - https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf
  - Reader's Digest version – only 44 pages
- 04/01/2022 – Final rules are effective
- 04/29/2022 – City of Stoughton files the SLFRF annual compliance report
  - *City elected to use the Lost Revenue category (more on this later)*
- 04/30/2022 – SLFRF annual compliance report due for the City of Stoughton
- May 2022 -- $110,000 paid to Stoughton Utilities for lead service replacement project

Key dates (future)

- June 2022 – City of Stoughton should receive $686,311.71 in ARPA funds passed through from the State of Wisconsin (the remaining 50% of our total allocation)
- 04/30/2023 – SLFRF annual compliance report due for the City of Stoughton
- 04/30/2024 – SLFRF annual compliance report due for the City of Stoughton
- 12/31/2024 – Final day that funds must be obligated by
- 04/30/2025 – SLFRF annual compliance report due for the City of Stoughton
- 04/30/2026 – SLFRF annual compliance report due for the City of Stoughton
- 12/31/2026 – Final day that funds must by expended by
- 04/30/2027 – SLFRF annual compliance report due for the City of Stoughton

Local governments must make a selection for eligible use categories

- Eligible use categories are:
  - Those with more restrictions and reporting requirements
    - Public health expenditures
    - Negative economic impacts
    - Provide premium pay for essential workers
    - Investment in water, sewer or broadband infrastructure
  - Those with few restrictions and simplified reporting requirements
    - Replace lost public sector revenues
- *With the final rules allowing local governments to automatically use the lost revenue category for the first $10 million in ARPA funds, it was essentially a "no brainer" to select this category to give the City of Stoughton the most flexibility!!!*

So, what CAN'T the City spend the ARPA funds on?

- Reducing the net tax revenue
- No deposits into pension funds
- No funding of debt service
- No funding of legal settlements or judgments
- No deposits into rainy day funds or financial reserves *(in other words, not allowed to increase fund balances)*
- *Important item to note – Payments MUST be issued to somebody other than the City of Stoughton – we can't pay ourselves*

So what are the next steps?

- How do you as Common Council members want to spend the remaining $1.26 million?
- The Committee of the Whole (COW) met on 06/16/2021 and 09/01/2021 and developed a matrix of 46 different ideas. The meeting packets are available at http://stoughtoncitydocs.com/committee-of-the-whole
- Of course, ideas have been tossed around since then, including one being requested this evening.
- A high level recap of ideas from the matrix that scored well are:
  - Broadband accessibility and affordability
  - Supporting non-profit agencies through a central distributing agency such as the Stoughton Area Community Foundation
  - City buildings maintenance or enhancements
  - Ambulance replacement for Emergency Medical Services

Fiscal recap

Period	Description	Income	Expense	Net
June 2021	First half received	$ 686,311.71		
October 2021	Baker Tilly calculations		$ 3,456.00	
Calendar year 2021	Interest income	15.99		
Through 4/30/2022	Interest income	17.60		
May 2022	Lead service replacement project (Stoughton Utilities)		110,000.00	
June 2022	Second half pending	686,311.71		
	Totals	$1,372,657.01	$113,456.00	$1,259,201.01

Proposed plan

- At each of the next City Council meetings, the agenda has a standing item for APRA discussions and potential awarding of funding
  - Start with presentations on the high scoring areas presented on the previous slide with one category each meeting
  - Awarding of funding will begin after all the presentations occur

The floor is yours!
Questions?
Discussion?
Let the fun begin……

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