

# 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 be 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 \$1.37 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.....

## Contact information

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