



MEMORANDUM

TO: Mayor Jones and Members of the Board

FROM: Karen Proctor, Town Administrator

DATE: June 2, 2022

RE: American Rescue Plan (ARP) Funds

DISCUSSION:

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan (ARP) Act of 2021. These funds provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments to help with their response to the COVID-19 emergency and its economic impacts.

The Treasury released a final rule on the use of the ARP funds on January 6, 2022. The most significant change in the Final Rule was regarding using the funds based on revenue loss. The Final Rule allows recipients to use a standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program to fund **any "government services"**.

The Town of Foxfield was allocated a total of \$196,555.51 of American Rescue Plan funds. These allocations will occur in two tranches of \$98,277.75 each. The Town received the first allocation on June 28, 2021, and the second tranche is expected to be received by June 28, 2022. \$18,640.30 of these funds has been spent for the water infrastructure, remote meeting equipment and the guardrails at Fremont. In February, the Board approved a maximum of \$40,000 (\$10,000 per application) of these funds to provide grants to Foxfield small businesses. In April, staff sent the parameters and application to all the Foxfield Village Center businesses. In addition, the information was posted on the Town website and sent to all the residents in a Town email. Staff received two applications for a total of \$20,000.

Based on this information following is a breakdown of the receipt and expenditures of the ARP funds:

1st Allocation of Funds 6/21	\$ 98,277.75	
Less Current Expenses:	\$ (12,322.75)	Water Line
	\$ (929.97)	Meeting Owl
	\$ (5,387.58)	Guardrails at Fremont
	\$ (20,000.00)	Small Business Grants
	\$ 59,637.45	Remaining funds from 1st allocation
2nd Allocation of Funds 6/22	\$ 98,277.75	
	\$ 157,915.20	Total funds available after 2nd allocation is received

\$25,387.58 of these expenditures occurred this year (2022). The approved 2022 budget included budgeted expenditures in the ARP fund of \$50,000. Therefore, \$24,612.42 remains for possible use in 2022, or the Board may choose to do a Supplemental Appropriation to increase this amount.

The Board has indicated a desire to allocate these funds to specific expenditures. While the Board can certainly do that, keep in mind that accounting rules indicate that the Town simply cannot spend more than the TOTAL overall approved budgeted expenditures for the year. In addition, it is likely that possible expenditures will come up in the next several months that these funds can be used for. Another recommendation from staff would be to allocate these funds to the Conservation Trust Fund maintenance expense (approximately \$13,000 annually) as the fund balance is quickly being depleted and is forecast to run out by 2027. The total ARP funds must be expended by December 31, 2026.