



American Rescue Plan Act (ARPA) Funding



***Through the American Rescue Plan,
Sandy City will receive:***

\$ 9,151,064

**50% of that amount (\$ 4,575,532) has been received already,
and the remaining 50% will be received in May 2022.**

**Sandy City can obligate and spend the funding for
eligible uses until Dec. 31, 2024. Any obligated
amounts must be fully spent by Dec. 31, 2026.**





Goals of ARPA Funding

1. Respond to the public health emergency or it's negative economic impacts;
2. Respond to workers performing essential work during the pandemic by providing premium pay to eligible workers;
3. Provide additional revenue for government services due to revenue shortfalls, and;
4. To make necessary investments in water, sewer, and broadband infrastructure.



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Public Health Response

Eligible uses include, but aren't limited to:

- Capital investments in public facilities to meet pandemic operational needs (e.g., adaptations to public facilities like the council chambers to mitigate COVID-19).
- Support for prevention, mitigation, or other services in living facilities and schools.
- Payroll expenses for public health and safety employees to the extent that they work on the COVID-19 response beginning March 1, 2021.



Local Economic Impact

Eligible uses include, but aren't limited to:

- Supporting small businesses and industries impacted by the pandemic through loans, grants, in-kind assistance, and other programs
- Assistance to individual workers and families through job training, cash assistance programs, housing and food assistance, and survivor's benefits for families of COVID-19 victims
- Sandy is **not** eligible to use the funding for affordable housing development



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Premium Pay

- ❑ **“Premium pay”** is defined as a premium up to \$13/hour ***above*** normal wages and earnings, not to exceed \$25,000 per eligible worker.
- ❑ **“Eligible workers”** are any individual who performed essential work, defined by regular, in-person interactions or physical handling of items handled by others.
 - ❑ This includes eligible workers not employed with Sandy City, meaning we can provide funding to third-party employers for premium pay



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Revenue Shortfalls

- ❑ Funding provided for shortfalls in **general revenue**, which excludes:
 - ❑ Proceeds from debt issuance
 - ❑ Utility revenues (water, storm water, and street lighting)
 - ❑ Revenue from the federal government
- ❑ Revenues are considered on an aggregated basis for the City– we cannot look at each revenue source or fund individually in making calculations.



Revenue Shortfalls

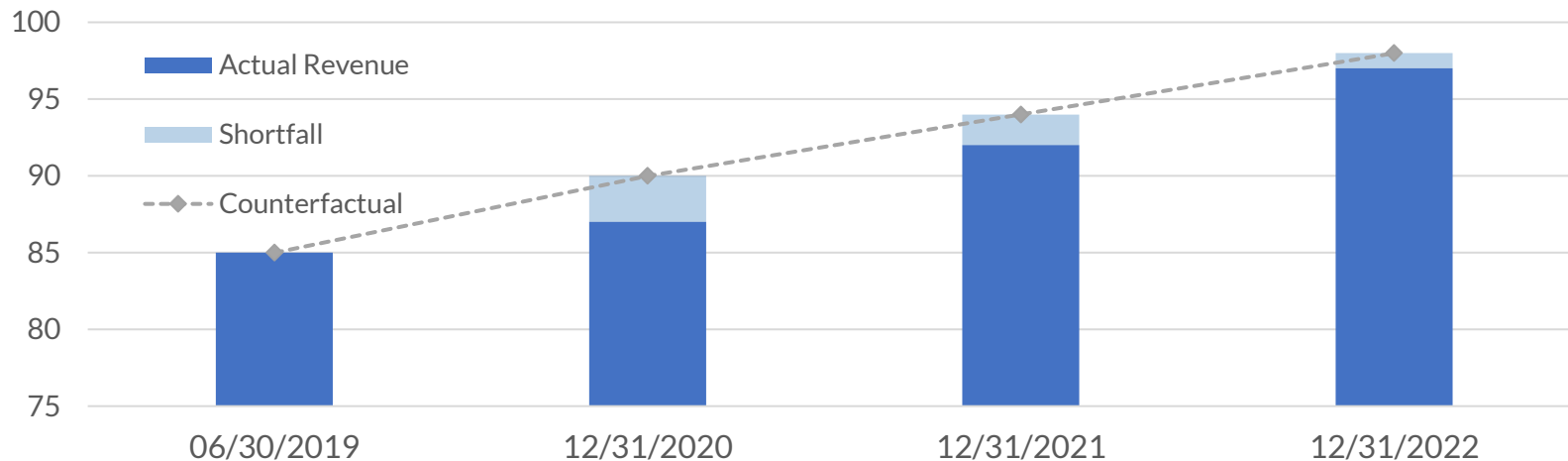
- ❑ Any eligible revenue shortfalls can be used for (but are not limited to):
 - ❑ General government operations
 - ❑ Financing capital projects (pay-as-you-go)
- ❑ Revenue shortfalls cannot be used to finance debt service, pensions and trusts, or for accumulating or restoring fund balances



Revenue Shortfalls

Revenue Shortfall = Counterfactual Revenue - Actual Revenue

- ❑ Counterfactual Revenue is calculated by taking the actual revenue from the last fiscal year before the pandemic and projecting that forward using either a three-year average annual revenue growth rate or 4.1%, whichever is greater.
- ❑ City staff can calculate revenue shortfalls at the end of every calendar year from December 31, 2020, until December 31, 2024 (last year has been calculated since funding has been received).



Calculation Dates	06/30/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Months After Baseline Year	0	18	30	42	54
Counterfactual Revenue (millions)	85	90.2	94	98	102
Actual Revenue (millions)	-	85.6	92	97	102
Revenue Shortfall (millions)	-	4.6	2	1	0



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Water and Stormwater Infrastructure

- ❑ Funding can be used on broad scope of water and wastewater projects that:
 - ❑ Improve access to clean drinking water
 - ❑ Support vital wastewater and stormwater infrastructure
 - ❑ Invest in water infrastructure such as operations facilities or transmission distribution systems, and storage systems



Broadband Infrastructure

- ❑ Funding can also be used to finance broadband infrastructure for unserved or underserved communities.
- ❑ Eligible projects include those designed to deliver broadband internet service meeting or exceeding **symmetrical 100 Mbps download and upload times**



Staff Recommendations

Recommendations

- ❑ **Staff recommends we allocate the entire tranche to eligible revenue shortfalls to cover general government operations in the last fiscal year**
 - ❑ This includes allocating a portion to balance the Alta Canyon fund
 - ❑ The remainder would finance some of last year's operating expenses, such as public safety, and offset revenue could be used to finance capital projects
 - ❑ This approach simplifies the tracking and reporting requirements and provides greater flexibility in spending

Justification

- ❑ **Benefit to all residents and businesses:**
 - ❑ By addressing our extensive capital facility and infrastructure needs we can delay and/or minimize potential increases to fees or taxes.

Considerations

- ❑ All rules and guidelines for the funding are **rolling**, meaning they are subject to change
- ❑ We are required to regularly report to the Treasury Department on how the funding is or will be used each quarter, with the first report due in August

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Questions/Comments?