

American Rescue Plan Act (ARPA) Guidelines



American Rescue Plan Act - Fiscal Recovery Fund

- Provides \$350 billion for local governments
- Evanston is CDBG community, will receive funding directly from federal government
- Total expected to Evanston = \$43,173,654.00
 - 50% share in the amount of \$21,586,827 received last week
 - 50% to be received in 2022
- All money to be deposited in a separate fund (#170- American Rescue Plan Fund)
- Money required to be spent/obligated by December 31, 2024



Community Engagement

- Town Halls
 - Partner with Not for Profits
 - Community member input
- Post COVID-19 Action Plan
 - Currently seeking feedback from community
 - Helps establish community priorities



General Eligibility

1. Need to identify the need or negative economic impact of COVID-19 on the area to be given funding
2. Identify how the program, service or intervention proposed would address that need or impact due to COVID-19 pandemic
3. Lift up the areas of community that were most disproportionately impacted



Recommended Priority Use Areas

- Securing our financial future
- Improving community health and wellness
- Stimulating economic recovery
- Investing in infrastructure
- Use on areas that are self-sustaining, revenue generating and long lasting



Non-Eligible Uses

- Offsetting tax cuts
- Pension fund deposits
- Legal settlements
- Funding debt service
- Funding rainy day funds/financial reserves



Securing our Financial Future

Three areas of the law that can be used for purposes of City finances:

1. Public Health - covering any remaining COVID-19 pandemic costs not covered by other grants; cover costs of City employees still substantially dedicated to pandemic mitigation
2. Economic Impact - increase public sector workforce to pre-pandemic levels; fill positions held vacant in 2021 budget due to pandemic
3. Revenue Loss - replace revenue loss caused by COVID-19 pandemic



Revenue Loss

- Expect to claim approximately \$6-13 million for 2020 and \$3-7 million for 2021
 - Amount will depend on final definition of “general revenue” subject to loss
- Amounts claimed for general revenue can be used for
 - Provision of police, fire, and other public safety services
 - Maintenance or building of infrastructure, including roads and City facilities (Fiber Optic System Improvements)
 - Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure
- Cannot be used for
 - Debt financing, pension fund deposits, fund reserves



Account Description	Budget Amount	2020 Actual Amount	Budget Less YTD Actual	% of Budget	2019 Total Actual
Fund 100 - GENERAL FUND Totals					
REVENUE TOTALS	118,820,557	112,988,300	5,832,257	95%	117,211,433
EXPENSE TOTALS	117,200,492	111,190,767	6,009,725	95%	115,175,062
GENERAL FUND Net Gain (Loss)	1,620,065	1,797,533	177,468	111%	2,036,371

2019 fund balance	15,889,899
2020 net gain	1,797,533
estimated fund balance as of 2020	<u>17,687,432</u>

16.66% of Budgeted Expenses	<u>19,525,602</u>
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Fund balance to Budgeted expenses	15.09%
Shortage	(1,838,170)

Note: 2021 Adopted Budget includes a \$500,000 draw on fund balance



	2021 Budget Amount	2021 Projected amount	
Fund 100 - GENERAL FUND Totals			
REVENUE TOTALS	111,022,609	110,022,609	*
EXPENSE TOTALS	111,020,191	111,020,191	**
GENERAL FUND Net Gain (Loss)	<u>2,418</u>	<u>(997,582)</u>	
2020 fund balance	17,687,432	17,687,432	
2021 budgeted surplus (loss)	2,418	(997,582)	
estimated fund balance as of 2020	<u>17,689,850</u>	<u>16,689,850</u>	
Less: Fund balance included in Revenues	(500,000)	(500,000)	***
Net Fund balance 2021	17,189,850	16,189,850	
16.66% of Budgeted Expenses	<u>18,495,964</u>	<u>18,495,964</u>	
Fund balance to Budgeted expenses	15.48%	14.58%	
Shortage	(1,306,113)	(2,306,113)	

* Potential decrease in revenues from free beach tokens

** No increase in expenses as hiring of some of the positions could qualify for Federal stimulus

*** 2021 Adopted Budget includes a \$500,000 draw on fund balances



Improving Community Health

Eligible Public Health Uses

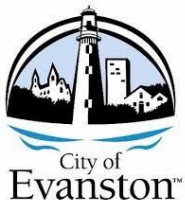
- Medical expenses
- Behavioral and physical health care
- Ongoing COVID-19 mitigation and prevention
- Additional public health programming



Stimulating Economic Recovery

Eligible Economic Impact Uses

- Childcare
- Development of affordable housing
- Uplift businesses most impacted
- Supporting workers
- Aid hardest hit industries
 - Hospitality, tourism



Premium Pay

- City can use funding for premium pay to eligible City employees engaged in essential work throughout the pandemic
- Interim final rule defines essential work as “work involving regular in-person interactions or regular physical handling of items that were also handled by others”
- Pay may be retroactive, and may not exceed \$13 per hour above regular pay rate or \$25,000 total



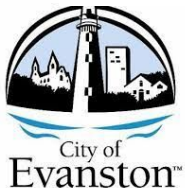
Investing in Infrastructure

- All projects that would be approved under the Federal EPA's
 - Clean Water State Revolving Fund (CWSRF)
 - Drinking Water State Revolving Fund (DWSRF)
- Lead service line replacement (unfunded mandate HB 3739)
- Replacement of 100+ year old water mains
- Cyber security of water/ sewer (fiber optic system and server upgrade)
- Anything to address climate change
- Broadband meeting adequate speeds (download speed of 100mbps)
 - Focused on areas that are underserved



Evanston Recovery Investment Fund Option

- Create an Evanston Recovery Investment Fund (ERIF) with balance after budget & infrastructure
- Identify key areas aligned with recovery guidelines
 - Childcare
 - Workforce Development
 - Small Business Recovery
 - Hospitality Industry
- Applicants can submit a proposal
 - Applicants can be private sector, non profits, etc
- Decisions could be made through Economic Development Committee or formation of a new committee
- Design a scoring system to score proposals
- Only open the funding once there have been numerous town halls and extensive communication of the funds existence and objectives



Participatory Budgeting Option

- Could provide an agreed upon amount to be allocated directly by residents
- Ideas submitted by community members, vetted by staff and agreed upon by council before being presented to the community
- Presentation of proposals during ward meetings, other special meetings
- Community members vote on proposals after a period of time

