City of Quincy

City Hall

404 West Jefferson Street

Quincy, Florida 32351

www.myquincy.net

COMMISSION WORKSHOP

Thursday, September 30, 2021
6:00 PM

City Hall Commission Chambers

City Commission

Mayor Ronte R. Harris - District III
Mayor Pro-Tem Keith A. Dowdell - District I
Commissioner Angela G. Sapp - District II
Commissioner Freida Bass-Prieto - District IV
Commissioner Anessa A. Canidate - District V

"An All American City in the Heart of Florida's Future"

PUBLIC NOTICE

CITY OF QUINCY

COMMISSION WORKSHOP

Quincy City Hall

Commission Chambers

404 W. Jefferson Street

Quincy, Florida 32351

Thursday, September 30, 2021

5:30 pm

All interested members of the public are hereby invited to attend the **Workshop** on the following:

Discussion:

- **Directors' Dire Needs and Concerns**
- **2022 Grants Budget**
- **American Rescue Act Plan Grant**

For additional information, please call the City of Quincy at 850.618.0020.

City of Quincy, Florida

COMMISSION WORKSHOP

AGENDA

September 30, 2021
5:30 P.M.

City Hall Commission Chambers

Call to Order

Roll Call

Workshop Items of Discussion

1. Directors' Dire Needs and Concerns
2. 2022 Grants Budget
3. American Rescue Act Plan Grant

Adjournment

Directors' Dire Needs and Concerns

CITY OF QUINCY, FL
DIRECTORS REQEST FOR DIRE NEED ITEMS
FY 2021-2022 BUDGET

Account Number	Account Description	Budget 09-14	Director Request 09-17	Increase in Budget Lines	Director Explanation
001-284-515-30491	OTHER OPERATING EXPENSE	$1,692	$4,100	$2,408	machine needed
001-310-572-30404	OIL GREASE	$660	$3,000	$2,340	need to operate effectively
001-310-572-30405	TIRES	$1,022	$3,000	$1,978	need to operate effectively
001-310-572-30406	VEH PARTS ONLY	$494	$3,000	$2,506	need to operate effectively
001-310-572-30407	VEHICLE REPAIRS	$92	$2,000	$1,908	need to operate effectively
001-310-572-30523	OPERATING SUP - CHEM	$111	$2,000	$1,889	need to operate -season sports- no COVID
001-310-572-30526	ATHLETIC EQUIP BASEBALL SOFTBALL	$375	$4,000	$3,625	need to operate -season sports- no COVID
001-310-572-30528	ATHLETIC EQUIPMENT - BASKETBALL	$1,099	$7,000	$5,901	need to operate -season sports- no COVID
001-310-572-30529	ATHLETIC EQUIPMENT - OTHER	$1,389	$5,000	$3,611	need to operate -season sports- no COVID
001-440-572-30462	REPAIR MAINT.-EQUIPMENT TOOLS	$869	$4,000	$3,131	need to operate -season sports- no COVID
001-440-572-30491	OTHER OPERATING EXPENSES	$46	$2,000	$1,954	need to operate -season sports- no COVID
402-540-535-30462	REPAIR MAINT.-EQUIPMENT TOOLS	$923	$2,000	$1,077	need to operate -season sports- no COVID
402-520-535-30390	CONTINGENCY	$0	$20,000	$20,000	prudence - hurricane & emergencies
403-502-531-30462	REPAIR MAINT.-EQUIPMENT TOOLS	$247	$3,000	$2,753	need to operate effectively
403-591-531-30405	TIRES	$810	$2,500	$1,690	need to operate effectively
403-591-531-30406	VEH PARTS ONLY	$2,907	$5,700	$2,793	need to operate effectively
403-591-531-30407	VEHICLE REPAIRS	$9,163	$12,500	$3,337	need to operate effectively
403-591-531-30462	REPAIR MAINT.-EQUIPMENT TOOLS	$1,579	$6,000	$4,421	need to operate effectively
403-591-531-30467	MAINTENANCE OF MAINS LINES	$12,507	$15,000	$2,493	need to operate effectively
403-591-531-60636	SIGNALIZATION	$0	$22,500	$22,500	contract with State

CITY OF QUINCY, FL
DIRECTORS REQEST FOR DIRE NEED ITEMS
FY 2021-2022 BUDGET

404-520-533-30390	CONTINGENCY	$0	$10,000	$10,000	prudence - hurricane & emergencies
404-530-533-30466	REPAIR & MAINTENANCE - PLANT	$0	$2,000	$2,000	need to operate effectively
404-539-533-30403	GASOLINE DIESEL	$294	$2,000	$1,706	need to operate effectively
404-539-533-30404	TIRES	$0	$400	$400	need to operate effectively
404-539-533-30405	PARTS	$17	$1,000	$983	need to operate effectively
404-539-533-30467	MAINTENANCE OF MAINS LINES	$2,340	$4,000	$1,660	need to operate effectively
404-539-533-30468	REPAIR MAINTENANCE - SERVICES	$437	$3,000	$2,563	need to operate effectively
404-539-533-30521	OPEATING SUPPLIES	$202	$500	$298	need to operate effectively
405-520-532-30390	CONTINGENCY	$0	$5,000	$5,000	prudence - hurricane & emergencies
405-520-532-30493	TRAINING	$162	$3,035	$2,873	need to operate effectively
405-561-532-30406	VEH PARTS ONLY	$20	$500	$480	need to operate effectively
405-561-532-30407	VEHICLE REPAIRS	$0	$500	$500	need to operate effectively
	TOTALS	**$39,457**	**$160,235**	**$120,778**	

Director's Requests for Dire Need Items-Notes
Mayor Ronte R.Harris
September 30, 2021

1. The items on the **"Dire Need" list** were misrepresented as items not being funded or budgeted by the commission.

2. Only one (1) item on the "Dire Need" list was found on the list of new requested items the commission was given to provide input. These are two separate list.

    - 403-591-531-60636 SIGNALIZATION Stewart and Crawford
    - On the list to provide input this item was requested at $70,000.
    - On the "Dire Need" list the item is requested at $22,500 and explained as being under contract with the state.
    - This same line item was budgeted last year at $40,000; $0.00 was spent from that line item.
    - This item should not have been on a list of new items requested at $70,000 if there was a contract with the state ($22,500)

3. The vast majority of the items on the "Dire Need" list were funded in the proposed FY22 budget at a reduced amount based on the prior year's expenditures.

4. All items on the "Dire Need" list except 2 were budgeted for last year.
    - 001-440-572-3041 OTHER OPERATING EXPENSE (Parks Operating)
    - 404-530-533-30466 REPAIR & MAINTENANCE (Water Fund)
    - These items should have been presented as new items requested for the budget.

5. $35,000 of the "Dire Need" items are requests for contingency.

6. Most items are REPAIRS, MAINTENANCE, VEHICLE REPAIR, TIRES, OIL & GREASE. All of which were budgeted for last year and was either not spent or spent extremely under budget.

7. After reviewing the departments requesting "Dire Needs", there were several line items that were budgeted for and $0.00 was expended last year.

8. The request for "Dire Needs" should have been addressed at the staff level prior to being presented to the commission.

9. The commission did not receive this list until after $84,555 was discovered to be unallocated.

10. After reviewing the budget, the "Dire Needs" presented to this commission reflects a lack of management and oversight and not the commission's inability to appropriately allocate funds.

11. The commission should take a serious look at the entire budget, through our post budget workshops, for line items that have been severely inflated.

Director's Requests for Dire Need Items

				2019-2020	2020-2021			2021-2022	
BOOK PG	DEPARTMENT	G/L ACCOUNT	ACCOUNT TITLE	FY 2020	FY 21 YTD 08/09	FY21 Projected	FY21 Budget	FY22 Budget	Director Request
25	Building and Planning	001-284-515-30491	OTHER OPERATTING E	$ 3,836.00	$ 1,437.00	$ 1,642.00	$ 2,000.00	$ 1,692.00	**$ 4,100.00**
27	Recreation Operating	001-310-572-30404	OIL & GREASE	$ 371.00	$ 569.00	$ 650.00	$ 468.00	$ 660.00	**$ 3,000.00**
27	Recreation Operating	001-310-572-30405	TIRES	$ 744.00	$ 881.00	$ 1,007.00	$ 460.00	$ 1,022.00	**$ 3,000.00**
27	Recreation Operating	001-310-572-30406	VEH PARTS ONLY	$ 655.00	$ 426.00	$ 486.00	$ 693.00	$ 494.00	**$ 3,000.00**
27	Recreation Operating	001-310-572-30407	VEHICLE REPAIRS	$ 490.00	$ 79.00	$ 91.00	$ 158.00	$ 92.00	**$ 2,000.00**
28	Recreation Operating	001-310-527-30523	OPERATING SUP- CHE	$ 465.00	$ 95.00	$ 109.00	$ 515.00	$ 111.00	**$ 2,000.00**
28	Recreation Operating	001-310-572-30526	ATHLETIC EQUIP BASE	$ 2,613.00	$ 323.00	$ 369.00	$ 2,060.00	$ 375.00	**$ 4,000.00**
28	Recreation Operating	001-310-572-30528	ATHLETIC EQUIPMENT	$ 4,619.00	$ 948.00	$ 1,083.00	$ 6,010.00	$ 1,099.00	**$ 7,000.00**
28	Recreation Operating	001-310-572-30529	ATHLETIC EQUIPMENT	$ 4,639.00	$ 1,197.00	$ 1,368.00	$ 1,790.00	$ 1,389.00	**$ 5,000.00**
29	Parks Operating	001-440-572-30462	REPAIR & MAINT.- EQ	$ 124.00	$ 749.00	$ 856.00	$ 4,000.00	$ 869.00	**$ 4,000.00**
29	Parks Operating	001-440-572-30491	OTHER OPERATTING E	$ 740.00	$ 40.00	$ 46.00	$ -	$ 46.00	**$ 2,000.00**
50	Sewer Fund	402-540-535-30462	REPAIR & MAINT.- EQ	$ 1,773.00	$ 623.00	$ 712.00	$ 4,000.00	$ 923.00	**$ 2,000.00**
46	Sewer Fund	402-520-535-30390	CONTINGENCY	$ -	$ -	$ -	$ 41,000.00	$ -	**$ 20,000.00**
61	Electric Fund	403-502-531-30462	REPAIR & MAINT- EQU	$ 314.00	$ 213.00	$ 244.00	$ 5,000.00	$ 247.00	**$ 3,000.00**
60	Electric Fund	403-591-531-30405	TIRES	$ 2,749.00	$ 698.00	$ 798.00	$ 2,545.00	$ 810.00	**$ 2,500.00**
60	Electric Fund	403-591-531-30406	PARTS	$ 12,004.00	$ 2,506.00	$ 2,864.00	$ 15,000.00	$ 2,907.00	**$ 5,700.00**
60	Electric Fund	403-591-531-30407	VEHICLE REPAIRS-LAB	$ 23,591.00	$ 7,899.00	$ 9,028.00	$ 20,000.00	$ 9,163.00	**$ 12,500.00**
60	Electric Fund	403-591-531-30462	REPAIR & MAINT- EQU	$ 7,702.00	$ 1,361.00	$ 1,556.00	$ 8,500.00	$ 1,579.00	**$ 6,000.00**
60	Electric Fund	403-591-531-30467	REPAIR & MAINT- MA	$ 11,520.00	$ 10,782.00	$ 12,323.00	$ 35,000.00	$ 12,507.00	**$ 15,000.00**
61	Electric Fund	403-591-531-60636	SIGNALIZATION Stewa	$ -	$ -	$ -	$ 40,000.00	$ -	**$ 22,500.00**
66	Water Fund	404-520-533-30390	CONTINGENCY	$ 50,586.00	$ -	$ -	$ 40,000.00	$ -	**$ 10,000.00**
68	Water Fund	404-530-533-30466	REPAIR & MAINTENAN	$ -	$ -	$ -	$ -	$ -	**$ 2,000.00**
68	Water Fund	404-539-533-30403	GASOLINE & DIESEL	$ 2,836.00	$ 254.00	$ 290.00	$ 2,351.00	$ 294.00	**$ 2,000.00**
68	Water Fund	404-539-533-30404	OIL & GREASE (TIRES)*	$ 307.00	$ -	$ -	$ 399.00	$ -	**$ 400.00**
68	Water Fund	404-539-533-30405	TIRES (Parts)*	$ 481.00	$ 32.00	$ 36.00	$ 489.00	$ 37.00	**$ 1,000.00**
69	Water Fund	404-539-533-30467	REPAIR & MAINT.-MA	$ 1,605.00	$ 2,018.00	$ 2,306.00	$ 4,000.00	$ 2,340.00	**$ 4,000.00**
69	Water Fund	404-539-533-30468	REPAIR & MAINT- SER	$ 1,062.00	$ 377.00	$ 430.00	$ 3,500.00	$ 437.00	**$ 3,000.00**
69	Water Fund	404-539-533-30521	OPERATING SUPPLIES	$ 169.00	$ 174.00	$ 199.00	$ 500.00	$ 202.00	**$ 500.00**
72	Gas Utility	405-520-532-30390	CONTINGENCY	$ -	$ -	$ -	$ 17,794.00	$ -	**$ 5,000.00**
72	Gas Utility	405-520-532-30493	TRAINING Cathodic P	$ -	$ 140.00	$ 160.00	$ 5,000.00	$ 162.00	**$ 3,035.00**
73	Gas Utility	405-561-532-30406	VEHICLE PARTS	$ 621.00	$ 17.00	$ 19.00	$ 1,300.00	$ 20.00	**$ 500.00**
73	Gas Utility	405-561-532-30407	VEHICLE REPAIR PART	$ 500.00	$ -	$ -	$ 500.00	$ -	**$ 500.00**
		Total			**$ 33,838.00**		**$ 265,032.00**	$ 39,477.00	**$ 160,235.00**

* Account title in parenthasis is from "Dire Needs"list; title shown is from the proposed budget

*$17 is shown for "FY22 budget 09-14" on the "Dire Need" list provided in the workshop for G/L 404-539-533-30405. Proposed Budget reflects $37

Mayor Harris 9/30/21

2022 Grants Budget

FY 2021-2022 CITY OF QUINCY, FL GRANT BUDGET

Overall Fund Revenues

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget
001 TO 405-331-39500	AMERICAN RESCUE PLAN ACT GRANT		$1,709,665
001-331-50000	FEMA FEDERAL HURRICANE REIMBURSEMENT		$107,146
001-334-49000	STATE GRANT - TRANSPORTATION		$583,086
001-366-10003	FLORIDA DEO RIF GRANT		$189,680
002-334-90000	CRA GRANT		$2,949,428
402-381-39000	CLEAN WATER SRL GRANT		$3,576,868
402 TO 404-331-32000	DEM HAZARD MITIGATION GRANT		$71,958
402 TO 404-389-90001	USE OF RETAINED EARNINGS		$23,986

	TOTAL GENERAL FUND		**$9,211,817**

FY 2021-2022 CITY OF QUINCY, FL GRANT BUDGET

Overall Expenditure Summary

Fund	Budget
General	$1,464,912
CRA	$2,949,428
Sewer	$3,788,840
Electric	$233,000
Water	$736,637
Gas	$39,000
Total	**$9,211,817**

Category	2022 Budget
Operating	3,299,108
Capital	$5,912,709
Total	**$9,211,817**

General Fund Expenditure Summary

	Department	2022 Budget
001-110	Commissioners	$80,000
001-260	Human Resources	$5,000
001-284	Building and Planning	$189,680
001-430	Public Works Road and Streets	$1,190,232
	Total	**$1,464,912**

Category	
Operating	$274,680
Capital	$1,190,232
Total	**$1,464,912**

General Fund Revenues

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget
001-331-39500	AMERICAN RESCUE PLAN ACT GRANT	585,000
001-331-50000	FEDERAL HURRICANE REIMBURSEMENT	107,146
001-334-49000	STATE GRANT - TRANSPORTATION	583,086
001-366-10003	FLORIDA DEO RIF GRANT	189,680
	TOTAL GENERAL FUND	**1,464,912**

Commissioners

	2022
Operating	**$80,000**
Total	**$80,000**

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget
001-110-511-80820	AID TO PRIVATE ORGANIZATIONS		80,000
			0
	Commissioners Expenses		**80,000**

Human Resources

	2022
Operating	**$5,000**
Total	**$5,000**

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget
001-260-513-30315	MENTAL HEALTH PROGRAM		5,000
			0
	Human Resources Expenses		**5,000**

Building and Planning

	2022
Operating	**$189,680**
Total	**$189,680**

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget	
001-284-515-30341	CONTRACTUAL SERVICES		189,680	FLORIDA DEO RIF GRANT
			0	
	Building & Planning Expenditures		**189,680**	

Public Works Road and Streets

	2022
Capital	**$1,190,232**
Total	**$1,190,232**

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget	
001-430-541-60632	RESURF & SIDEWALKS		583,086	$437,858 SCOP & $145,228 SCOP
001-430-541-60634	STORM WATER FACILITIES		107,146	Hurricane Sally - FEMA
001-430-541-60634	STORM WATER FACILITIES		500,000	Flagler Street Flooding $300,000 and Ditch behind Commissioner $200,000
	Public Works Expenditures		**1,190,232**	
	General Fund Total Expenditures		**1,464,912**	

Community Redevelopment Agency

	2022
REVENUES	
HOMETOWN REVITALIZATION GRANT	2,949,428
TOTAL	**2,949,428**

EXPENDITURES	FY22 Budget
	.
Operating	$2,949,428
Total	**$2,949,428**
Grand Total	**$2,949,428**

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget
Sewer Treatment		
002-250+552-30491	CONTRACTUAL SERVICES	2,949,428
		2,949,428

	CRA Fund Total Expenditures	**2,949,428**

Sewer Fund

	2022
REVENUES	
DEM HAZARD MITIGATION GRANT	35,979
AMERICAN RESCUE PLAN ACT GRANT	164,000
CLEAN WATER SRL GRANT	3,576,868
USE OF RETAINED EARNINGS	11,993
TOTAL	**3,788,840**

EXPENDITURES	FY22 Budget
Capital	$3,788,840
Total	**$3,788,840**
Grand Total	**$3,788,840**

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget	
Sewer Treatment			
402-531-535-60620	BUILDING & BUILDING IMPROVEMENTS	3,576,868	Solar Array 3.5 Megawatts Project
402-520-535-60644	EQUIPMENT	25,000	Water infrastructure improvement
402-540-535-60642	VEHICLE	50,000	Truck to mount sewer flush machine
402-531-535-60644	EQUIPMENT	50,000	Replace manholes/valve boxes
402-531-535-60644	EQUIPMENT	47,972	LMS grant equipment
402-531-535-60646	EQUIPMENT	39,000	Fiber optic infrastructure/broadband
		3,788,840	

	Sewer Fund Total Expenditures	**3,788,840**

Electric Fund

	2021
REVENUES	
American Rescue Plan Act Grant	233,000
	233,000
EXPENDITURES	
Operating	50,000
Capital	183,000
Grand Total	**233,000**

Electric Fund Revenues

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget
403-331-39500	AMERICAN RESCUE PLAN ACT GRANT		233,000
	TOTAL		**233,000**

Electric Fund Expenditures, continued

G/L ACCOUNT	ACCOUNT_TITLE		FY22 Budget	
Water Treatment				
403-591-531-30646	ECONOMIC DEVELOPMENT INITIATIVE		50,000	Utility Assistance
403-591-531-60646	EQUIPMENT		183,000	Fiber Optic/Broadband Infratructure
	Total		**233,000**	

Electric Fund Total Expenditures	**233,000**

Water Fund

	2021
REVENUES	
Grants	736,637
	736,637
EXPENDITURES	
Operating	25,000
Capital	711,637
Total	**736,637**

Water Fund Revenues

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget
404-331-39500	AMERICAN RESCUE PLAN ACT GRANT	688,665
404-331-32000	DEM HAZARD MITIGATION GRANT	47,972
	TOTAL	**736,637**

Water Fund Expenditures, continued

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget	
404-520-533-30343	PROFESSIONAL SERVICES	25,000	consultant - water infrastructure/consent analysis
404-530-533-60644	EQUIPMENT	47,972	Fiber optic/broadband infrastructure
404-539-533-60644	EQUIPMENT	75,000	300KWH diesel generator
404-539-533-60644	EQUIPMENT	524,665	Unalloted by Commissioners
404-539-533-60644	EQUIPMENT	25,000	purchase a water leak detection system
404-539-533-60646	EQUIPMENT	39,000	LMS grant equipment
	TOTAL	**736,637**	

Water Fund Total Expenditures	**736,637**

Gas Fund

	2021
REVENUES	
Grants	39,000
	39,000
EXPENDITURES	
Capital	39,000
Total	**39,000**

Gas Fund Revenues

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget
405-331-39500	AMERICAN RESCUE PLAN ACT GRANT	39,000
		39,000

G/L ACCOUNT	ACCOUNT_TITLE	FY22 Budget	
Water Treatment			
405-561-532-60646	EQUIPMENT	39,000	Fiber optic/broadband
		39,000	

Gas Fund Total Expenditures	**39,000**

BUDGETED EXPENDITURES TOTALS	**9,211,817**

American Rescue Act Plan Grant

AMERICAN RESCUE PLAN ACT SUMMARY - 2021

From: Local Fiscal Recovery Fund <LFRF@em.myflorida.com>

Greetings –

The United States Department of the Treasury ("Treasury") has begun releasing funding to States and Local Governments under the provisions of the American Rescue Plan Act of 2021 (ARPA). You have been identified by Treasury as a non-entitlement unit of local government (NEU) eligible to receive Coronavirus Local Fiscal Recovery Funds (CLFRF). The Florida Division of Emergency Management (FDEM) will be distributing funds in accordance with Treasury guidance (https://home.treasury.gov/system/files/136/NEU_Guidance.pdf). In the coming weeks we will be sending your entity a funding agreement, which will need to be executed by your NEU Authorized Representative and the State prior to receiving funding.

As prime recipient of CLFRF NEU funds you will be required to provide reporting to Treasury in October of 2021. Reporting information can be found in the "Compliance and Reporting Guidance" document provided by Treasury (https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund/non-entitlement-units). In preparation for the reporting, it is required that each NEU have an active registration with the System for Award Management (SAM.gov).

FDEM will continue to provide updated CLFRF guidance from Treasury as it becomes available. For your convenience, all applicable program guidance will be posted on the Division's website at FloridaDisaster.org under the Bureau of Recovery – American Rescue Plan Act section. We will provide a direct link to this webpage under a separate cover, once it is live.

To ensure that all e-mail correspondence from our office is received, please add the following email address to your safe senders list: LFRF@em.myflorida.com. For general questions related to this program, please contact Erin White via email at LFRF@em.myflorida.com or Erin.White@em.myflorida.com, or by phone at (850) 815-4458.

Thank you,

Melissa Shirah | Bureau Chief

Bureau of Recovery

Florida Division of Emergency Management

2555 Shumard Oak Blvd

Tallahassee, FL 32399-2100

Office: (850) 815-4410

Cell: (850) 590-9287

www.floridadisaster.org

The American Rescue Plan Act (ARPA), signed into law in March 2021, provides $350 billion in relief to states and local governments to combat the continued impact of the COVID-19 pandemic. To offer swift guidance on the use of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), the U.S. Department of Treasury (Treasury) published the interim final rule (IFR) on May 10, 2021, through an expedited rule-making process.

The IFR establishes a framework for determining the types of programs and services eligible under this program, along with examples of uses that state and local governments may consider. These uses build on eligible expenditures under the Coronavirus Relief Fund issued through the CARES Act by recognizing a broad range of additional eligible uses. The objective of CSLFRF is to help governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency.

Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID– 19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.

Eligible state, territorial, metropolitan city, county, and tribal governments may request their allocation of CSLFRF through the Treasury Submission Portal. Eligible local governments classified as nonentitlement units — generally local governments with populations under 50,000 — will receive this funding through their applicable state government.

With the IFR guidance in mind, we recommend you consider the following as you begin to plan how you'll use this funding: (1) eligible uses, (2) ineligible uses, and (3) appropriate planning for spending.

Eligible uses of CSLFRF

Eligible uses of CSLFRF fall into four broad categories:

1. Public health & economic impacts
2. Premium pay
3. Revenue loss
4. Investments in water, sewer, or broadband infrastructure

Expenditures qualifying under public health and economic impact can be used to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality. Eligible uses in this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.

A nonexhaustive list of eligible expenditures identified in the IFR includes:

COVID-19 mitigation and prevention programs (medical care, testing, contract tracing, purchases of PPE, public communication efforts)

• COVID–19 Mitigation and Prevention. A broad range of services and programming are needed to contain COVID–19. Mitigation and prevention efforts for COVID–19 include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools;40 ventilation improvements congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.41 They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID–19 mitigation tactics. These COVID–19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.42

- Behavioral health and substance abuse treatment
- Payroll and covered benefits for public health and safety personnel
- Addressing disparities in public health outcomes and responding to negative impacts on households and individuals
- Qualifying business loans and grants
- Rehiring staff for state and local governments
- Aid to impacted industries such as tourism, travel, and hospitality
- Affordable housing in qualifying areas
- Serving the homeless
- Expenses to Improve the Design and Execution of Health and Public Health Programs. State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID–19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis
- Facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:
- Funding community health workers to help community members access health services and services to address the social determinants of health;
- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;
- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic

The IFR also provides flexibility to use CSLFRF payments for programs or services not identified in the nonexhaustive list by providing considerations for evaluating other potential uses.

Premium pay can be provided to eligible workers performing essential work during the COVID-19 public health emergency. A few of the more important aspects in the IFR related to premium pay include the following:

- The ARPA defines premium pay as an amount up to $13 per hour, in addition to wages or remuneration the worker otherwise receives.
- Premium pay is limited to an aggregate amount not to exceed $25,000 per eligible worker.
- Premium pay or grants provided using CSLFRF should prioritize compensation of those lower-income eligible workers who perform essential duties.
- Premium pay that increases a worker's total pay above 150% of their residing state's average annual wage for all occupations or their residing county's average annual wage, whichever is higher, must be supported by written justification of how the premium pay is responsive to individuals performing essential work during the public health emergency.
- Providing retrospective premium pay is encouraged, where possible, for work performed since the start of the public health emergency (Jan. 27, 2020), recognizing that many essential workers haven't yet received additional compensation for work conducted over the course of many months.

- Essential workers who have already earned premium pay for essential work performed during the COVID-19 public health emergency remain eligible for additional payments; an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

Examples of workers who may qualify for premium pay include:

- Staff at nursing homes, hospitals, and home care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Truck drivers, transit staff, and warehouse workers
- Public health and safety staff
- Childcare workers, educators, and other school staff
- Social service and human services staff

Revenue loss should be used to provide government services to the extent of a reduction in revenue due to the COVID-19 public health emergency. The revenue loss will be measured relative to revenues collected in the most recent full fiscal year prior to the emergency. The IFR provides further guidance and a methodology for this calculation. Note that recipients should look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, this approach is intended to provide a more accurate representation of the effect of the pandemic on overall revenues.

Investments in infrastructure category allows for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary

investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach n adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.

For water and sewer infrastructure, governments have wide latitude to identify investments that are of the highest priority for their own communities, which may include projects on privately owned infrastructure. The guidance aligns with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency (EPA) Clean Water State Revolving Fund or Drinking Water State Revolving Fund.

For broadband infrastructure, eligible investments are those designed to provide services meeting adequate speeds and provided to unserved and underserved households and businesses. The IFR offers governments flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Ineligible uses of CSLFRF

The ARPA includes two provisions that define the boundaries of the statute's eligible uses. First, ARPA prohibits recipients from using the funds for deposit into a pension fund. A deposit under the Act refers to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the IFR doesn't permit CSLFRF to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient's regular timing for making such payments. It's important to understand that a deposit is distinct from a payroll contribution, which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a predetermined percentage of employees' wages and salaries. Therefore, if an employee's wages and salaries are an eligible use of CSLFRF, governments may treat the employee's covered benefits, including pension, as an eligible use as well.

Second, state and territories may not use CSLFRF to either directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation during the covered period. Finally, the IFR gives additional examples of ineligible uses — expenditures that Treasury believes don't qualify within any of the four broad buckets — including contributions to rainy day funds, payments on outstanding debt, and fees or issuance costs of new debt.

As you engage in robust discussions about spending CSLFRF, here are some other planning considerations to keep in mind:

- **Period of performance**: Before you begin to plan for spending your CSLFRF award, you must first understand the period of performance, that is, the start of the award and the planned end date. The period of performance or spending period for eligible expenditures begins March 3, 2021, except for retroactive premium pay, which is discussed above.

Funds must be obligated by Dec. 31, 2024, and those obligated funds must be spent by Dec. 31, 2026.

- **Double dipping**: With the influx of increased federal funding, you'll likely face the challenge of preventing the same costs from being charged to multiple funding sources. The first two broad eligible categories have similar eligible uses as the Coronavirus Relief Fund (CRF) (CFDA 21.019) and the Coronavirus Emergency Supplemental Funding Program (CESF) (CFDA 16.034), which could raise the risk that the same cost is charged to multiple grants. It's important to establish and ensure adequate cost tracking controls to avoid double dipping.
- **Reporting and recordkeeping requirements**: Treasury will establish reporting and recordkeeping requirements, including enhanced reporting requirements for certain uses. For certain types of expenditures, the IFR also includes public disclosure requirements. In addition to ensuring the CSLFRF are used on eligible expenditures, it's also critical for all governments to identify, track, and adhere to the required reporting and public disclosure requirements.
- **Funds are subject to single audit**: Be aware that these funds are subject to the provisions of the Uniform Guidance (2 CFR Part 200) and therefore a single audit is required when total expenditures equal or exceed $750,000 in a given fiscal year. If you'll have a single audit for the first time or simply would like a refresher, take a look at the following
- **Documentation**: No matter how you choose to use the funding, documentation of any decision-making will be key. **The calculation of revenue loss** in particular will likely present its own unique challenges in this regard.

Given that the spending period extends to Dec. 31, 2026, projects eligible for CSLFRF can have a lasting impact on communities.