MINUTES
AMERICAN RESCUE PLAN ACT TASK FORCE
SPECIAL MEETING OF MARCH 2, 2022

Present: Mayor Ben Florsheim; Minority Leader Phil Pessina; Rev. Robyn Anderson; Rev. Moses Harvill; Cynthia Clegg; Bobbye Knoll Peterson; Bryan Skowera; Christina Heckart; Diana Doyle; Brig Smith; Joe Fazzino; Kevin Elak; Joe Samolis; Carl Erlacher

1. Call to Order

Meeting was called to order at 11:01 a.m.

2. Public Comment

None

3. Approval of Minutes

Minority Leader Phil Pessina made a MOTION to approve the February 9, 2022 regular meeting minutes and the February 23, 2022 special meeting minutes. Cynthia Clegg seconded the motion. The motion passed unanimously.

4. New Business

A. Public-Facing Workshop

The Mayor introduced the workshop. He explained that the workshop is to inform the public about ARPA, the application process and disseminating the funds. Brig Smith then gave a brief background on who Mike Muszynski of CCM.

Mike Muszynski gave his presentation on the American Rescue Plan Act.

More discussion ensued regarding who should be filling out applications and if a decision has been made about how the funds will be spent.

5. Other

6. Adjournment

MOTION to adjourn made by Phil Pessina and seconded by Bryan Skowera. The motion passed unanimously and the meeting ended.
Understanding Final Rule & Best Practices: American Rescue Plan Act (ARPA)
Calendar Year 2026.

- Funds must be "obligated" by the end of calendar year 2024, "liquidedate" by end of March 3, 2025.
- Most of the funds are prospective — costs incurred March 3, 2024.
- Local governments will receive funding in two tranches (2nd tranche May/June 2022).

Pass through

- Non-entitlement Units (population under 50k) — Indirect allocation with State as
- Metropolitan Cities (population over 50k) — Direct allocation from Treasury

Distributed on modified CDLC formula:

\[
\text{Middletown BOE} = \$8.1 \text{ million} \\
\text{Middletown} = \$21.7 \text{ million} = \$12.7 \text{ million} \text{ direct} + \$8.9 \text{ million} \text{ county} \\
\text{Municipalities} = \$1.5 \text{ billion} = \$864.1 \text{ million} \text{ direct} + \$692.5 \text{ million} \text{ county}
\]
Contribute to reserve or rainy day funds
Paying for consent decrees or legal settlements
Paying interest or principal on outstanding debt
Paying down unfunded pension liabilities

Prohibited uses:

Prior to the effective date, the rule takes effect April 1, 2022, able to take advantage of any new provision

5. Broadband infrastructure.
4. Water and sewer infrastructure; and
3. Provide premium pay;
2. Replacement of loss revenue;
1. Responding to the public health emergency and the negative economic impacts of COVID-19;

Final rule defines five (5) broad eligible categories:

American Rescue Plan (ARP)
Responding To The Public Health Emergency And The Negative Economic Impacts Of COVID-19 (Infectious Diseases)

Each sub-category includes:

- Public sector capacity
- Aid to impacted industries and assistance to nonprofits
- Assistance to small businesses
- Assistance to households
- Public health

Specific eligible projects referred as "enumerated" projects and services.

Non-exhaustive list of particular individuals or groups that the final rule presumes to have been impacted by the pandemic.

American Rescue Plan (ARP)
The American Rescue Plan (ARP)
Improving Capital Expenditures

American Rescue Plan (ARP)

<table>
<thead>
<tr>
<th>Reporting</th>
<th>Written justifications required and must be submitted as part of regular reporting</th>
<th>Expenditures unencumbered in the FR</th>
<th>Total capital expenditure</th>
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<tbody>
<tr>
<td>Greater than $10 million</td>
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<td>$1 million but less than $10 million</td>
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<td>Greater than $1 million</td>
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<td>Less than $1 million</td>
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Expenditure must be related and reasonably proportioned to the impact identified and reasonably designed to benefit an impacted group.

Public health needs or address a negative economic impact.

Final rule clarifies how funds can be used for capital expenditures that respond to

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<tr>
<td>No written justification required</td>
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$1 million
2. Calculate revenue loss according to the Treasury developed formula:

1. Select a "standard allowance" of $10 million, OR

Change in Final Rule - two options in this category:

Replace Loss of Revenue

ARP (American Rescue Plan)
What is Government Services: Generally, "any service that is traditionally provided by a government for their residents." This could include capital expenditures. Can't be used on prohibited activities.

Replace Loss of Revenue (cont.)

6. AMERICAN RESCUE PLAN (ARP)
Final rule prohibits elected officials from paying themselves premium pay.

- already provided.
- Cannot be used to reimburse local funds for premium pay or hazard pay that was
  during the pandemic.

3. Confirm that the premium pay "responds to workers performing essential work
   and whose work is "essential"" worker
   1. Identify an "eligible" worker

In order to provide premium pay, the following needs to be considered:

- associated with responding to the pandemic.
- Can be provided retroactively for work completed prior to March 3, 2021 that were
- $25,000 in the aggregate of the program.

- For those eligible, workers can be paid up to $13 per hour, and may not exceed
  and compensation that the employee already receives.

Provide premium pay for eligible essential workers in addition to the existing wages.

Premium Pay

American Rescue Plan (ARP)
Certain rehabilitation to dams and reservoirs.

Residential wells.

Replacement of storm sewers, and additional types of stormwater infrastructure.

Stormwater infrastructure (such as culvert repair, resizing, and removal).

Other Projects:

Consolidation or establishment of drinking water systems

Transmission, distribution and storage systems

Upgrade facilities to improve water quality

Projects eligible under EPA's Drinking Water State Revolving Fund

Green Infrastructure

Control non-point sources of pollution

Wastewater Treatment Plants

Projects eligible under EPA's Clean Water State Revolving Fund

Investments in Sewer and Water

American Rescue Plan (ARP)
broadband and software, for existing and new broadband projects.

- Provide necessary investments in cybersecurity, including modernization of investments in the "middle mile."
- Digital Literacy programs and device purchase programs.

Other broadband investments:
- (c) Reliable service.
- A lack of (a) access to reliable broadband connection, (b) affordable broadband, or an identified need for additional broadband investment. This "need" would address an identified need for additional broadband investment. This "need" would address an identified need for additional broadband investment.
- Able to provide service that may already have 25/3 Mbps, but are in locations with scale to 100 Mbps symmetrical.
- Symmetrical speeds of 100 Mbps or at least 100/20 Mbps with the ability to projects are "encouraged." Rather than "must" reliably meet or exceed.
• NEU's (Annual Project & Expenditure Report) by April 30.
  April 30, July 31, and October 31.
• Metropolitan cities (Quarterly Project & Expenditure Report) by January 31.

Going forward, Connecticut municipalities will need to complete a "Project and Expenditure Report." Going forward, Connecticut municipalities will need to complete a "Project and Expenditure Report.

• Reporting & Compliance
  • ARPA funds can be used cover "direct" and "indirect costs" associated with administration of the program, which could include costs of consultants for ensuring compliance.
  • ARPA funds can be used cover "direct" and "indirect costs" associated with maintenance and retention.
  • Written standards of conduct, risk-based monitoring and reporting, written internal control mechanisms include written policies and procedures.
  • Strong financial control mechanisms include written policies and procedures.

American Rescue Plan (ARP)
Specific Program Data: The type of information collected will be based upon the

CIVIL RIGHTS: Ensuring compliance with the Title VI of the Civil Rights

Subawards: If awarding grants or loans that exceed $50,000, the local government

Completed, and (c) completed;

Projected Status: Once a project begins, report during each reporting period the

Expenditures: Provide specific amount of obligation and expenditures, including

Detail Project: Need to provide name, expenditure category, and description (50-
Non-profits, COGs, business groups

- Use existing delivery channels and complement existing efforts for efficiency

Community

- Be organized and ensure transparency - convene all stakeholders in your

- Do not create future budget deficits

Comply with federal and state laws and regulations, local ordinances

Meet and maintain consistency in reporting and accounting

Follow allowable uses established by Treasury

Basic Foundations and Best Approaches

American Rescue Plan (ARP)
American Rescue Plan (ARP)

Questions?

Thank you!

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