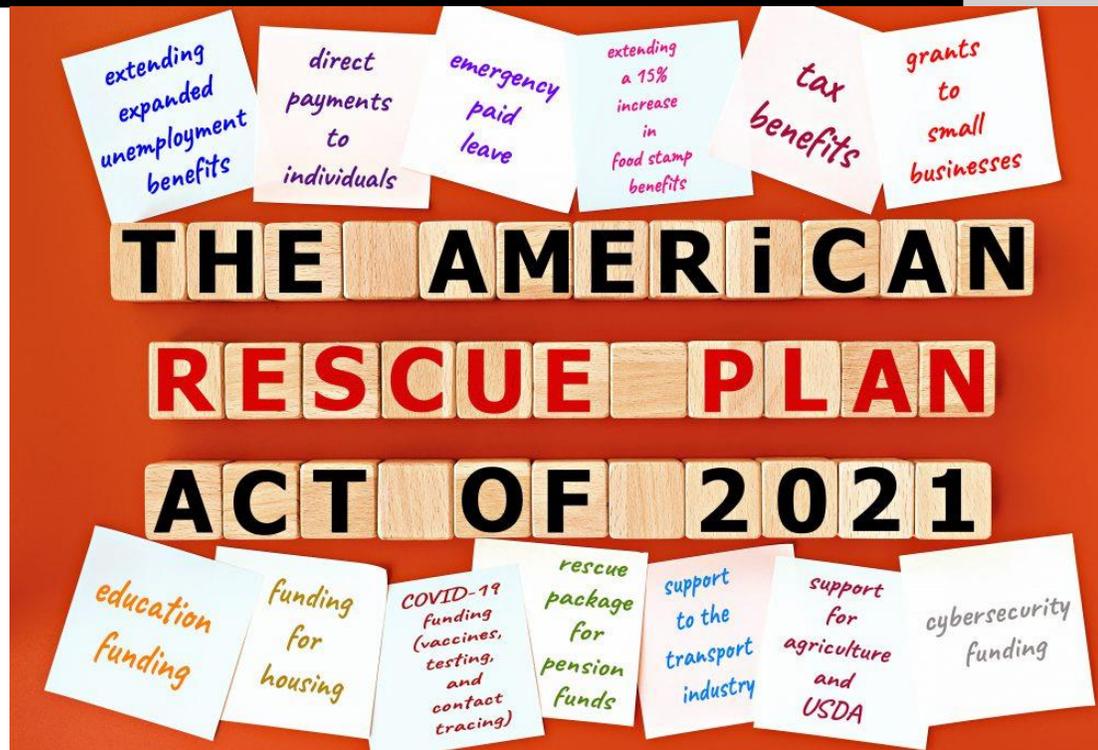


2022



Town of Millville
ARPA Administrator
1/27/2022

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Overview

The American Rescue Plan Act (ARPA) offers direct federal support funding rarely seen in our nation's history, in response to the global COVID-19 pandemic. This is a unique opportunity to leverage these federal funds allocated directly to Millville.

Section 602 establishes the Coronavirus **State** Fiscal Recovery Fund¹ (SFRF) and Section 603 establishes the Coronavirus **Local** Fiscal Recovery Fund (LFRF) – collectively known as the Fiscal Recovery Funds (SLFRF) build upon and expand the support provided to local governments.

Sections 602(c)(1) and 603(c)(1) indicate funds may be used:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- To make necessary investment in water, sewer, or broadband infrastructure

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) are allocated \$350 billion-dollars accessible to state, local, and Tribal governments.

SLFRF funds must be:

Obligated within the statutory period between **March 3, 2021 and December 31, 2024**

Expended to cover such obligations by **December 31, 2026** or returned.

The Treasury Department is offering a long period of obligation and expenditure for funds. The expectation is these funds be spent carefully to address impacts of the COVID-19 pandemic. There is no need to rush to spending. At this point many communities across the Commonwealth continue to be slow to spending. Research via listservs and news articles indicate most cities and towns are still in a preliminary phase, identifying/hiring administrative staff, creating advisory boards, soliciting feedback from residents via surveys, and using funds to address obvious impacts of the pandemic such as purchasing at-home test kits, vaccine clinics and increased clinical staff. Cities and towns self-reported they anticipate spending on, revenue recovery, extension of broadband service, renovation of HVAC/ventilation systems in government buildings and schools, and one-time premium pay stipends to “frontline” works as determined by ARPA guidelines and community leaders. ARPA allows flexibility for each community to determine how to most effectively spend funds at the local level.

¹ [Using State Fiscal Recovery Funds: Sustainable, Equitable, and Community-Driven Planning - Mass. Budget and Policy Center \(massbudget.org\)](https://www.massbudget.org/Using-State-Fiscal-Recovery-Funds-Sustainable-Equitable-and-Community-Driven-Planning)

Timeline Summary

March 11, 2021 the \$1.9 trillion-dollar American Rescue Plan Act (ARPA) was signed into law.

ARPA provides an infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers from the negative impacts of COVID-19.

May 2021 the Treasury Department issued an Interim Final Rule² (IFR) which outlined how CSFR and CLFR funds could be used. The IFR offered eligible use categories. Within these categories governments have flexibility to determine how to utilize funding efficiently to meet community specific needs.

January 2022 the IFR was adopted with amendments to create the Final Rule. This guidance takes effect on April 1, 2022. However, compliant spending is allowed immediately.

Final Rule includes an option of “Standard Allowance” up to \$10 Million dollar for the entire timeframe of allocation

- Communities receiving in excess of \$10 Million dollars are only allowed a “one-time” standard allowance. Adopting this option does not increase a community’s CLFR funds.
- Recipients must choose one of the two options and cannot switch between these approaches after an election is made.

Strategy

After initial SLFRF were received Millville, like many other communities, made the decision to hire an ARPA Administrator to become a subject matter expert. The town developed and posted a job description. An ARPA Administrator started in October 2021. This position has allowed Millville to leverage SLFRF funds to support ongoing grant initiatives, identify additional opportunities, and obtain funding from new grants.

Board of Selectmen (BOS) were given a presentation at their meeting on November 1st 2021; which identified potential compliant spending under the established ARPA categories. The town wide action items were chosen within the framework of the IFR to capitalize on current efforts and to meet the ongoing needs of the community. This presentation included information on other community’s projected spending. The BOS agreed to a careful and nimble approach to spending as the Federal government continued to roll out spending guidance.

Supportive grants continue to be identified to accomplish local goals and maximize ARPA spending. Concurrent initiatives such as the Municipal Vulnerability Preparedness & Hazard

² [Interim Final Rule \(treasury.gov\)](https://www.treasury.gov)

Mitigation Plan and the Cybersecurity Preparedness Training Program will enable Millville to become more competitive when applying for additional grants in these areas. Massachusetts Municipal Association (MMA) confirmed ARPA funds can be used as match funds for state initiatives.

Roadway construction and infrastructure were initially largely left out of the IFR. Discouraging the use of ARPA Funds for general infrastructure repair. However, under the Final Rule adoption of the Standard Allowance permits the use of ARPA on Town wide infrastructure projects. Highway Surveyor has been working on securing funding for the Highway Department’s salt shed. However, he as not weighed in on priority projects, at this time. Potential need for an infrastructure specialist/consultant to assist with prioritizing projects in Millville. Since the Town anticipates a \$2.8M dollar allocation from the State for infrastructure.

Spending

Table 1 – ARPA Funds Spent as of 1/25/22

EXPENDITURE	COST
Water Compliance Solutions – MES Consultant	\$9,050.00
Assessors Virtual Coverage	\$5,000.00
Staff Equipment	\$1,570.17
Hope Street – Water Main Repair	\$2,822.79
Regional Resource Group	\$3,000.00
ARPA Administrator Wages	\$12,030.00
COVID-19 At-Home Test Kits	\$5,815.93
TOTAL	\$39,288.89

Table 2 – Short Term Spending – **Approval List**

EXPENDITURE	COST
Van Senior Center – Match Funds for Grant	\$10,000.00 (not included in total)
Chest Compressor – Fire Department	\$16,000.00
Turnout Gear – Fire Department	\$16,000.00
NESHAP Assessment – Old Town Hall	\$10,000.00
Salt Shed Highway Dept. – Funds to Supplement Grant	\$25,000.00 (up to)
PPE & COVID-19 At-home Test Kits – Board of Health	\$30,000.00 (up to)
Water Compliance Solutions – MES Consultant (on going)	\$25,000.00 (up to)
Server Upgrades – Town Hall	\$10,000.00
ARPA Administrator Wages – FY22, FY23 & FY24	\$134,000.00
TOTAL	\$266,000.00

Held for Further Discussion

Approved at BOS Meeting 2/7/22

Table 3 Shows Potential ARPA Spending – Probable Needs and Opportunities

EXPENDITURE	COST
Necessary Facilities Investments – Fire, Senior Center & Town Hall	\$150,000.00
Police Station Renovation	\$250,000.00
Radios – Police Department	\$30,000.00
Playground – Behind the Police Department	\$10,000.00
Senior Center Car Port Cover	\$10,000.00
Software – Support for Building, Assessors, and Health Departments	\$20,000.00
Town Hall Administrator & Assessors Wages – FY23 & FY24	\$115,000.00
TOTAL	\$635,000.00
TOTAL – ALL THREE TABLES – \$925,288.89	

Conclusion/Recommendations

Adopting to the standard allowance will enable Millville to utilize ARPA funds for government services and infrastructure with streamline reporting requirements. It is important for Millville to maintain ongoing flexibility to maximize opportunities while staying within the general guidelines for ARPA SLFRF spending. Although the standard allowance permits the Town to spend allocated funding on any service or infrastructure traditionally provided by local government staying within the ARPA SLFRF guidelines will ensure clear compliance. Leveraging funds wisely throughout FY23 & FY24 will become an integral part of expanding the reach of these direct funds.

For example, initially the Town sought to spend ARPA dollars on necessary infrastructure repairs. Now, state infrastructure monies are forthcoming which can be used instead of ARPA funds to address roadway concerns, freeing up ARPA dollars for alternate uses. As the state continues to roll out their allocation of the federal SLFRF, Millville should continue to stay nimble on spending.

Appendix – Spending by ARPA Category

Below is potential spending by ARPA Category. The blue italicized text are direct quotes from ARPA guidance provided by the Treasury Department.

Standard Allowance

- *Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.*
- *The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss, particularly for SLFRF's smallest recipients.*

Public Health & Safety

- Senior Center Van & Car Port Cover
- Chest Compression Machine for Fire Department
- PPE & At-home COVID-19 Test Kits

Capital Expenditures to Respond to the Public Health and Negative Economic Impacts of the Pandemic – *The final rule clarifies that capital expenditures can be eligible in this category, when meeting certain standards, and provides an enumerated list of eligible capital expenditures.*

Personnel

- Town Hall Admin – Vacant
- ARPA Town Administrator

Responses to Restore and Bolster Government Employment – *The final rule expands the uses of funds available to restore and bolster government employment, including restoring employment by hiring up to 7.5% above a recipient’s pre-pandemic baseline employment level, funding for employees that experienced pay reductions or were furloughed, maintaining current compensation levels to prevent layoffs, and worker retention incentives.*

Infrastructure

- Water Distribution – MES

Investments in Water and Sewer Infrastructure – *The final rule expands the list of eligible water and sewer infrastructure projects to include a broader set of project types, including certain dam and reservoir rehabilitation projects, additional stormwater projects, private well projects, and a broader range of projects that remediate lead in water.*

Capital Expenditures

- NESHAP Assessment of Old Town Hall
- Police Station Renovations
- Necessary Facilities Investments
- Walkies for Police Department

Additional Eligible Projects – *With broadened eligibility under the final rule, SLFRF funds may be used to fund additional types of projects— such as additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs — beyond the CWSRF and DWSRF, if they are found to be “necessary” according to the definition provided in the final rule and outlined below.*

Breakdown of SLFRF

American Rescue Plan Act

Estimated Direct Municipal Aid Distributions for Massachusetts Cities and Towns

Based on U.S. House Committee on Oversight Committee Estimates (March 8, 2021) using 2019 U.S. Census Population Data
 Analysis by the Massachusetts Municipal Association, updated as of March 12, 2021

A	B	C	D	E	F	G	H
Municipality (Sorted by County)	ARPA Direct Municipal Aid Estimate	County	2019 Population (for Calculating Per Capita of County Allocation)	Estimated County Allocation (Population Multiplied by \$193.94)	Abolished County: Funding Automatically Transferred to the Municipality	County Exists: Funding Goes to County Government	Total Estimated Direct Municipal Aid Amount (Columns B+F)
Lunenburg town	\$ 1,157,822	Worcester County	11,736	\$ 2,276,125	\$ 2,276,125		\$ 3,433,946
Mendon town	\$ 613,933	Worcester County	6,223	\$ 1,206,912	\$ 1,206,912		\$ 1,820,846
Milford town	\$ 2,870,975	Worcester County	29,101	\$ 5,643,960	\$ 5,643,960		\$ 8,514,935
Millbury town	\$ 1,375,949	Worcester County	13,947	\$ 2,704,935	\$ 2,704,935		\$ 4,080,884
Millville town	\$ 321,321	Worcester County	3,257	\$ 631,675	\$ 631,675		\$ 952,996
New Braintree town	\$ 101,023	Worcester County	1,024	\$ 198,598	\$ 198,598		\$ 299,622
North Brookfield town	\$ 472,757	Worcester County	4,792	\$ 929,379	\$ 929,379		\$ 1,402,136
Northborough town	\$ 1,490,587	Worcester County	15,109	\$ 2,930,297	\$ 2,930,297		\$ 4,420,884
Northbridge town	\$ 1,645,476	Worcester County	16,679	\$ 3,234,789	\$ 3,234,789		\$ 4,880,265
Oakham town	\$ 193,069	Worcester County	1,957	\$ 379,548	\$ 379,548		\$ 572,617
Oxford town	\$ 1,382,066	Worcester County	14,009	\$ 2,716,959	\$ 2,716,959		\$ 4,099,025
Paxton town	\$ 489,627	Worcester County	4,963	\$ 962,543	\$ 962,543		\$ 1,452,171
Petersham town	\$ 123,319	Worcester County	1,250	\$ 242,430	\$ 242,430		\$ 365,749
Phillipston town	\$ 172,253	Worcester County	1,746	\$ 338,626	\$ 338,626		\$ 510,879
Princeton town	\$ 344,111	Worcester County	3,488	\$ 676,476	\$ 676,476		\$ 1,020,587
Royalston town	\$ 125,983	Worcester County	1,277	\$ 247,666	\$ 247,666		\$ 373,649
Rutland town	\$ 881,783	Worcester County	8,938	\$ 1,733,470	\$ 1,733,470		\$ 2,615,253
Shrewsbury town	\$ 3,800,804	Worcester County	38,526	\$ 7,471,880	\$ 7,471,880		\$ 11,272,684
Southborough town	\$ 1,007,076	Worcester County	10,208	\$ 1,979,779	\$ 1,979,779		\$ 2,986,855
Southbridge	\$ 1,665,108	Worcester County	16,878	\$ 3,273,384	\$ 3,273,384		\$ 4,938,492
Spencer town	\$ 1,177,454	Worcester County	11,935	\$ 2,314,720	\$ 2,314,720		\$ 3,492,174
Sterling town	\$ 806,410	Worcester County	8,174	\$ 1,585,297	\$ 1,585,297		\$ 2,391,707
Sturbridge town	\$ 946,797	Worcester County	9,597	\$ 1,861,279	\$ 1,861,279		\$ 2,808,076
Sutton town	\$ 945,317	Worcester County	9,582	\$ 1,858,370	\$ 1,858,370		\$ 2,803,687
Templeton town	\$ 802,859	Worcester County	8,138	\$ 1,578,315	\$ 1,578,315		\$ 2,381,174
Upton town	\$ 795,657	Worcester County	8,065	\$ 1,564,157	\$ 1,564,157		\$ 2,359,814
Uxbridge town	\$ 1,400,416	Worcester County	14,195	\$ 2,753,033	\$ 2,753,033		\$ 4,153,448
Warren town	\$ 515,179	Worcester County	5,222	\$ 1,012,775	\$ 1,012,775		\$ 1,527,954
Webster town	\$ 1,672,113	Worcester County	16,949	\$ 3,287,154	\$ 3,287,154		\$ 4,959,267
West Boylston town	\$ 796,841	Worcester County	8,077	\$ 1,566,484	\$ 1,566,484		\$ 2,363,325
West Brookfield town	\$ 367,689	Worcester County	3,727	\$ 722,829	\$ 722,829		\$ 1,090,518
Westborough town	\$ 1,888,662	Worcester County	19,144	\$ 3,712,861	\$ 3,712,861		\$ 5,601,523
Westminster town	\$ 788,948	Worcester County	7,997	\$ 1,550,969	\$ 1,550,969		\$ 2,339,917
Winchendon town	\$ 1,075,839	Worcester County	10,905	\$ 2,114,958	\$ 2,114,958		\$ 3,190,796
Worcester	\$ 115,114,422	Worcester County	185,428	\$ 35,962,618	\$ 35,962,618		\$ 151,077,040