



**TOWN OF PAONIA**  
**TUESDAY, AUGUST 24, 2021**  
**SPECIAL MEETING 5:00 PM**  
**REGULAR MEETING 6:30 PM**

***Pursuant to Resolution No. 2017-10, the schedule of business is subject to change and amendment. At the August 10, 2021, Board of Trustees Meeting, the Board passed a motion to amend the Agenda for this August 24, 2021, Board meeting.***

**Special Meeting Roll Call**

- Committee Structure Review
- Mayor Role Review
- Overall Organizational Structure

**Regular Meeting**

**Approval of Agenda**

**Announcements**

**Recognition of Visitors & Guests**

1. Visitors – Items Not on the Agenda  
North Fork Miner’s High School Student Council
2. **Community Comment Period for: Reports, Disbursements, and/or Consent Agenda**

**Staff Reports**

3. Administrator’s Report  
Town Attorney Report

**Treasurer's Report**

4. Treasurer’s Report

**Disbursements**

5. Disbursements

**Consent Agenda**

6. Regular Minutes:  
August 10, 2021  
Large Park Event:  
Mountain Harvest Festival
7. Mountain Harvest Festival Fee Waiver Request

**Unfinished Business**

8. **Community Comment Period for: Unfinished Business**
9. SECOND READING: Ordinance 2021-06 Municipal Code Modification of Chapter 6 Article 1. -  
Alcoholic Beverage Licensing and Distance from Public Schools
10. SECOND READING: Ordinance 2021-07 Amendment to Provisions of Town Code Regarding  
Purchase and Possession of Marijuana

**New Business**

11. **Community Comment Period for: New Business**

- [12.](#) Zoning Board of Adjustments & Appeals Open Seat Appointments
- [13.](#) Board Discussion of Proposed Citizen Initiative Ordinance
- [14.](#) Board Review of Commercial Zone Billing Procedure
- [15.](#) Board Consideration of American Rescue Plan Act (ARPA) Fund Expenditure
- [16.](#) Board Review of Debt Reserve Requirements and Fund Balances
- [17.](#) Board Consideration of Town Line of Credit Loan Renewal
- [18.](#) Board Consideration of Public Works Vehicle Acquisition

**Mayor's Report**

- [19.](#) Mayor's Report

**Committee Reports**

- [20.](#) Finance & Personnel
  - Governmental Affairs & Public Safety
  - Public Works-Utilities-Facilities
  - Tree Board
  - Advisory Water

**Community Comment Period**

- [21.](#) **Community Comment Period for: Process and/or Decisions Made**

**Adjournment**

- [22.](#) Adjournment

## Provisional Rules of Procedure

All of the procedures in Resolution 2017-10 remain in effect with the following exceptions in the Schedule of Business (bolded and highlighted in yellow):

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)**
  - People may address the Board on any subject not on the agenda as well as on items under Staff Reports, Treasurer's Report, Disbursements, and the Consent Agenda.**
- (e) Staff Reports: (15 minutes)
  - (1) Town Administrator's Report
  - (2) Public Works Reports
  - (3) Police Report
  - (4) Treasurer Report
- (j) Disbursements (15 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (h) Unfinished Business (45 minutes)
  - (1) Public Comments (5 minutes)**
  - (2) Unfinished Business items
- (i) New Business (45 minutes)
  - (1) Public Comments (5 minutes)**
  - (2) New Business items
- (f) Mayor's Report (10 minutes)
- (k) Committee Reports (15 minutes)
  - (1) Public Comments (5 minutes)**
- (m) Adjournment

Citizens may make comments, express opinions and ask questions during the Public Comment periods. Time limits may be imposed. Questions asked will be answered by the Board or staff when that item is discussed in the regular course of business.

**I. RULES OF PROCEDURE**

**Section 1. Schedule of Meetings.** Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

**Section 2. Officiating Officer.** The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

**Section 3. Time of Meetings.** Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

**Section 4. Schedule of Business.** If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
  - (1) Town Administrator's Report
  - (2) Public Works Reports
  - (3) Police Report
  - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

\* This schedule of business is subject to change and amendment.

**Section 5. Priority and Order of Business.** Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

**Section 6. Conduct of Board Members.** Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

**Section 7. Presentations to the Board.** Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

**Section 8. Public Comment.** After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

**Section 9. Unacceptable Behavior.** Disruptive behavior shall result in expulsion from the meeting.

**Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings.** These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

## **II. CONSENT AGENDA**

**Section 1. Use of Consent Agenda.** The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

**Section 2. General Guidelines.** Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

**Section 3. Removal of Item from Consent Agenda.** One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

## **III. EXECUTIVE SESSION**

**Section 1.** An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed “in as much detail as possible without compromising the purpose for which the executive session is authorized.” In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

**Section 2.** During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

**Section 3.** Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

## **IV. SUBJECT TO AMENDMENT**

**Section 1. Deviations.** The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

**Section 2. Amendment.** The Board may amend these Rules of Procedures Policy from time to time.

AGENDA SUMMARY FORM



Committee Structure Review  
 Mayor Role Review  
 Overall Organizational Structure

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

## Personnel and Finance Committee

### Personnel

Annual review of Employee Handbook for anything that might need updated. Present suggested policy/change to Board for approval.

Review with Town Administrator to assure that all job descriptions and reviews are up to date.

Annual review of CML salary data to keep Paonia in line with other municipalities of similar size and budget.

Review with Town Administrator on staffing and benefits to meet goals for the coming year within budget.

### Finance

General review of Town's internal controls: banking, reserve funds, payroll, purchasing

With Treasurer and Finance Director, review approved invoices and sign Board approved checks twice a month.

Make recommendations for budget

Review preliminary audit

Review asset inventory and disposal recommendations.

## **Governmental Affairs and Public Safety Committee**

### Overview:

- Two trustees serve as committee members
- Members are appointed by the mayor
- Meetings are also attended by staff representatives for administration and public safety
- Meetings are open to the public

### Responsibilities:

- Research topics as assigned by board direction, such as
  - Potential changes to town code
  - Potential new ordinances
- Receive updates from the police chief and review any new public safety concerns with the chief, such as
  - Officer training
  - Animal control
  - Departmental status updates (vehicles, staff, priorities)
  - Incidents reported by the public (traffic, graffiti, etc)
- Examples of topics assigned to the GAPS committee by the board:
  - Food trucks
  - Short-term rentals
  - Building inspection fees and process
  - Animal registration
  - Park use fees
  - Accessory dwelling units
- Report back to the board of trustees with updates, data, suggestions, or draft ordinances for consideration

### Needs from the mayor:

- Timely appointment of new members
- Oversight to ensure that topics are directed to/reviewed by the appropriate committee(s)

### Needs from the board:

- Clear direction on assignments and priorities

## Public Works, Facilities, and Utilities

To meet regularly with administration and public works director in order to track projects and gather information to present to the board of trustees that can help guide decisions at the board level; to understand the issues the department is experiencing and use all the information gathered to weigh in on annual project and budget recommendations.

## Mayor Roles and Responsibilities

### Colorado Revised Statutes

#### 31-4-102. Mayor - qualifications and duties

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(1) ... The mayor...shall sign all documents which by statute or ordinance may require his or her signature.

(2) The mayor of the city shall be its chief executive officer and conservator of the peace, and it is his special duty to cause the ordinances and the regulations of the city to be faithfully and constantly obeyed. He shall supervise the conduct of all the officers of the city, examine the grounds of all reasonable complaints made against any of them, and cause any violations or neglect of duty to be promptly corrected or reported to the proper tribunal for punishment and correction. The mayor has and shall exercise, within the city limits, the powers conferred upon the sheriffs of counties to suppress disorders and keep the peace. He shall also perform such other duties compatible with the nature of his office as the city council may from time to time require.

(3) The mayor shall be the presiding officer of the city council and shall have the same voting powers as any member of said council. The mayor shall be considered a member of the governing body and the city council. However, a city may provide by ordinance that the mayor shall not be entitled to vote on any matter before the council, except in the case of a tie vote. If such an ordinance is adopted, it shall also provide that any ordinance adopted and all resolutions authorizing the expenditure of money or the entering into of a contract shall be subject to disapproval by the mayor as provided in section 31-16-104. Such an ordinance may provide or may be amended to provide that the mayor shall not be counted for purposes of determining a quorum or the requisite majority on any matter to be voted on by the council. Any such ordinance may be adopted, amended, or repealed only within the sixty days preceding the election of any mayor, to take effect upon such mayor's assumption of office.

#### 31-4-302. Mayor - powers

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The mayor or, in his absence, one of the trustees, who may be elected mayor pro tem, shall preside at all meetings of the board of trustees and shall have the same voting powers as any member of said board. The mayor shall be considered a member of the governing body and the board of trustees. However, a town may provide by ordinance that the mayor shall not be entitled to vote on any matter before the board, except in the case of a tie vote. If such an ordinance is adopted, it shall also provide that any ordinance adopted and all resolutions authorizing the expenditure of money or the entering into of a contract shall be subject to disapproval by the mayor as provided in section 31-16-104. Such an ordinance may provide or may be amended to provide that the mayor shall not be counted for purposes of determining a quorum or for the requisite majority on any matter to be voted on by the board of trustees. Any such ordinance may be adopted, amended, or repealed only within the sixty days preceding any election of a mayor, to take effect upon such mayor's assumption of office.

### Town of Paonia Municipal Code

#### Sec. 2-2-20

(a) Four-year terms for Mayor. Every four (4) years, at the Town's regular election, a Mayor shall be elected to serve a four-year term. The Mayor shall meet the same qualifications as a

Trustee and, in the event of a vacancy in the office of Mayor, such vacancy shall be filled in the same manner as a vacancy in the office of Trustee, as set forth in [Section 2-2-10](#) above.

(b) The Mayor shall preside over all meetings of the Board of Trustees. The Mayor shall not count for the purpose of determining a quorum of the Board of Trustees. The Mayor shall only be entitled to vote on a question in the event of a tie vote of the Board of Trustees.

(c) Any ordinance adopted and all resolutions authorizing the expenditure of money or the entering into of a contract require the approval and signature of the Mayor before they become valid. Such ordinance or resolution shall be presented to the Mayor within forty-eight (48) hours after the action of the Board of Trustees for the Mayor's signature approving the same. In the event the Mayor disapproves of the resolution or ordinance, the Mayor shall return such ordinance or resolution to the Board of Trustees at its next regular meeting with his or her objections in writing. The Board of Trustees shall cause such objections to be entered onto the record and shall proceed at the same or next subsequent meeting to consider the question: "Shall the ordinance or resolution, notwithstanding the Mayor's objections, be passed?" If four (4) of the members of the Board of Trustees vote in the affirmative, such resolution shall be valid, and such ordinance shall become a law the same as if it had been approved by the Mayor. If the Mayor fails to return to the next subsequent meeting of the governing body any resolution or ordinance presented to the Mayor for his or her approval, the same shall become a valid ordinance or resolution, as the case may be, in like manner as if it had been approved by the Mayor.

(d) The Mayor shall perform such duties as may be required of him or her by statute or ordinance. Insofar as is required by statute and for all ceremonial purposes, the Mayor shall be the executive head of the Town. In case of the nonattendance of the Mayor at any meeting of the Board of Trustees, the Mayor Pro Tem shall preside.

(e) The Mayor shall execute and authenticate by his or her signature all bonds, warrants, contracts and instruments of and concerning the business of the Town, as the Trustees or any statutes or ordinances may require.

(f) Except as may be required by statute, the Mayor shall exercise only such powers as the Trustees shall specifically confer upon him or her.

### **Mayor's Perspective on Roles and Responsibilities**

1. Adhere to State and Town requirement including signing documents and acting as executive head of the Town at ceremonies.
2. Conduct the Board of Trustees meetings.
3. Act as day-to-day supervisor for the Town Administrator and meet with him/her weekly.
4. Supervise the Chief of Police.
5. Represent the Town at County and Regional meetings. Bring information from those meetings back to the Board.
6. Investigate funding opportunities including grants and follow up on those opportunities when applicable. Write, or help write grants for benefit the Town.

7. Act as liaison with various agencies in coordination with the Town Administrator and/or Chief of Police. These might include State agencies including funders, non-profit agencies, local and County entities, regional agencies and Federal agencies.

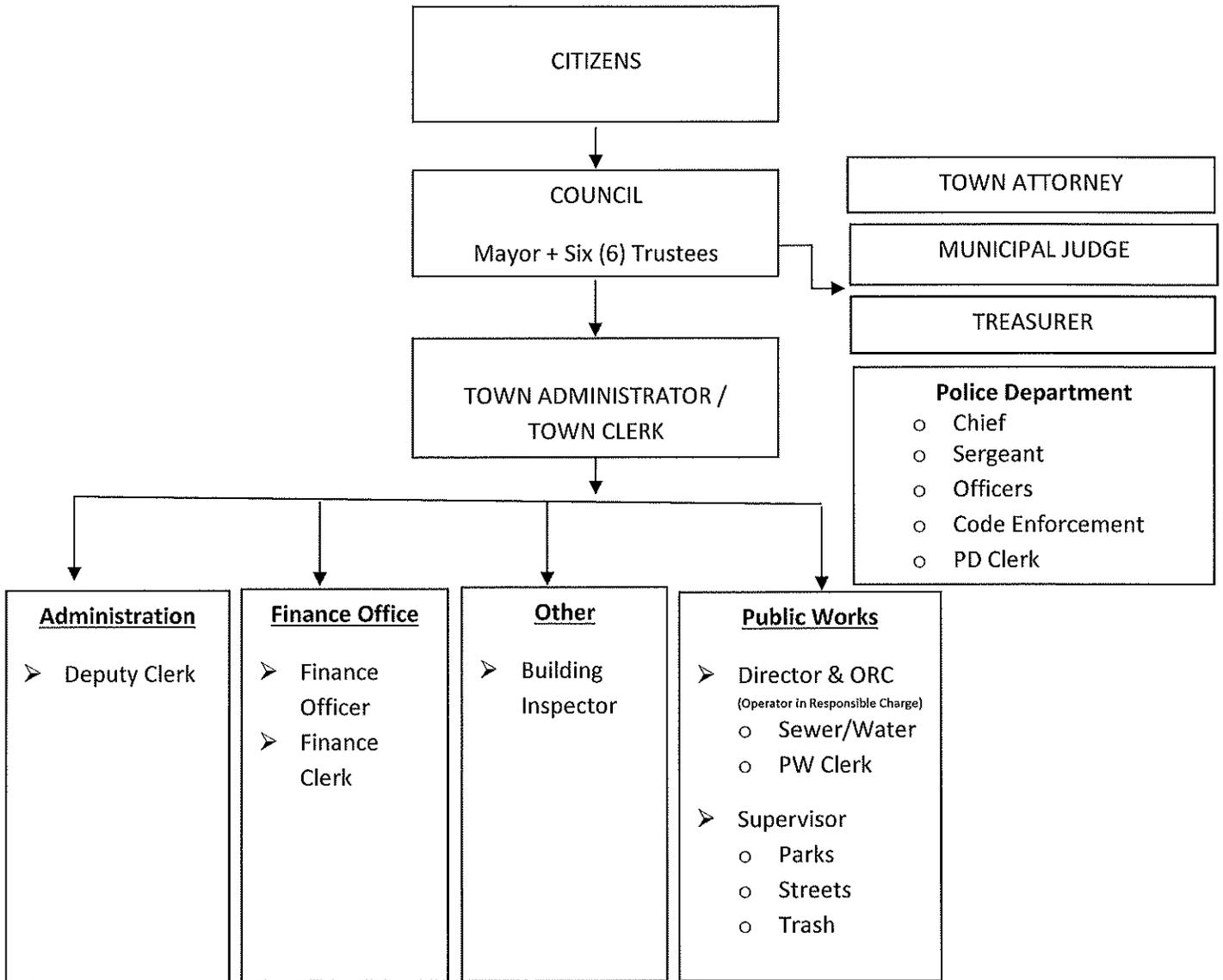
8. Search out information on Town issues when applicable. Recent examples include finding information on ARPA funding and requirements, investigating water rights for the Town, speaking with the Attorney General's water division office and Gunnison River Basin office, getting information from CIRSA on committee structure, getting information from CML.

9. Advocating for the Town at all levels of government, with funding agencies and non-profits.

10. Begin to collect information, create relationships and investigate possibilities on possible future issues such as affordable housing, enhancements to Town properties, etc.

# Town of Paonia

## ORGANIZATIONAL CHART



AGENDA SUMMARY FORM

	Roll Call		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

August 13, 2021

AGENDA SUMMARY FORM

	Approval of Agenda		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

August 13, 2021

AGENDA SUMMARY FORM

	Announcements		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

August 13, 2021

AGENDA SUMMARY FORM



Visitor's & Guests  
 North Fork Miner's High School Student Council

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

August 18, 2021

AGENDA SUMMARY FORM



Community Comment Period for: Reports, Disbursements, and/or Consent Agenda

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 18, 2021

AGENDA SUMMARY FORM



Administrator's Report  
Town Attorney Report

Summary: Staff Reports and Police Blotter will be provided monthly at the first meeting of the Board of Trustees.

Notes:

VW – verbal warning  
WW – written warning  
CIT - citation  
CAA – clear adult arrest  
UTL – unable to locate  
UNF - unfounded

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear:	Trustee Budinger:	Trustee Johnson:
Trustee Knutson:	Trustee Meck: :	Trustee Pattison:	Mayor Bachran:

***“True leaders always practice the three R’s. Respect for self, Respect for others, Responsibility for all their actions.” Anonymous***

Administrators Report for August 24, 2021

***Please note: This report is not a comprehensive list of all projects but acts as a highlight for included packet documents, ongoing, and upcoming projects.***

Previous Meetings Follow-up:

- July 13, 2021, Board Meeting - Survey Monkey Purchase – This was a 3-month only subscription and is no longer a valid registration.
- Finance Director Jones needs committee wish lists for the upcoming 2022 budget workshops. These workshops begin September 7<sup>th</sup>. Please provide your wish lists no later than August 30<sup>th</sup>.

Updates:

1. KUDOS to Public Works Director Loberg, the public works department, and front office staff for quick responses and repairs on the waterline leak Thursday 8/19/.
2. The paving repairs were approved by the County Commissioners and will be underway this week.
3. Paonia Police Chief Ferguson has submitted his letter of resignation. Town is beginning the steps to fill the upcoming vacancy.
4. A 4-way stop is being installed at the corner of Second Street and Main Avenue. This will address increased juvenile traffic with the re-location of SK Bikes, the opening of the coffee shop, and the school district bus barn. The signs should be installed by the 31<sup>st</sup> of this month.
5. The yield sign at the corner of Rio Grande Avenue and 3<sup>rd</sup> Street will be replaced with a stop sign.
6. Public Works Director Loberg is scheduled for another B licensing test the end of this week.
7. The interim contract with EPC has been extended. Town has begun advertising to hire an additional licensed operator.
8. The rfp for the pedestrian bridge project with WSCC and the Learning Connection will be published within the next two-weeks. Once sealed bids are received the bids will be opened and come for review and potential award.

From the desk of Corinne Ferguson  
Town Administrator/Clerk

9. Discussion of use for the remaining Boettcher funds in support of the Paonia Creative District is scheduled for the September 14<sup>th</sup> Board meeting.
10. The Planning Commission and I will be attending a joint training hosted by City of Delta in October – location TBD.
11. The Town did not receive the CDOT grant for the school route on Grand Avenue. Considering this, the Paonia PD, The County, the School District, the Sheriff's Department, and I are working together to assess short-term and long-term solutions to the safety issues.

Upcoming – No Date Confirmed, Not in Order of Importance:

1. An agenda item regarding the costs associated with the bulk fill station in relation to the current fee structure will be forthcoming. Anticipated for the second meeting in September.
2. Electronic Billing.
3. The WSCC & Nature Connection MOU and costs associated with the trails project will be included in an upcoming packet.
4. Discussion of the expenditure of the final \$5,300 undesignated for the Revitalize Grand Avenue grant will be coming before the Board at an upcoming meeting. Funds need to be expended by December 31<sup>st</sup>.
5. We are scheduling with SGM to attend an upcoming Board meeting to present the GIS Mapping and answer any questions. A date has not been finalized.
6. Shared building department.
7. The Asset Inventory/Capital Improvement Plan draft to full Board.
8. The MOU between Town and involved parties will be coming before the Board for review.
9. Riverbank.
10. Scheduled Planning Commission meeting for Dark Skies Ordinance.
11. Building Code Ordinance Update.
12. Non-conforming ADU Update.

AGENDA SUMMARY FORM

	Treasurer's Report		
Summary:			
Notes:			
Possible Motions: Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear:	Trustee Budinger:	Trustee Johnson:
Trustee Knutson:	Trustee Meck:	Trustee Pattison:	Mayor Bachran:

August 13, 2021

AS OF: 6/30/2021		THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
ACCT NO	DESCRIPTION	JUNE	MAY	APRIL	MARCH	CUR YTD	MO BUDGET	BUDGET	ORIG BUDGET	% OF BUDGET	BUDGET
<b>ADMINISTRATION</b>											
10-3101	PROPERTY TAXES	22,053.10	6,611.36	32,714.15	15,662.30	128,001.17	127,401.65	599.52	134,107.00	95.45%	(6,105.83)
10-3103	SALES TAX - TOWN	-	-	-	991.00	991.00	495.50	495.50	991.00	100.00%	-
10-3108	PENALTY & INTEREST	18.07	25.64	15.56	5.64	70.00	165.00	(95.00)	330.00	21.21%	(260.00)
10-3109	DELINQUENT TAX	1.10	-	-	0.05	14.26	15.00	(0.74)	30.00	47.53%	(15.74)
10-3110	ABATEMENTS	-	-	(434.47)	434.47	-	-	-	-	-	-
10-32-01	LIQUOR LICENSES	877.00	627.00	650.00	550.00	2,879.00	1,825.00	1,054.00	3,650.00	78.88%	(771.00)
12-32-04	SPECIAL REVIEWS	-	289.35	250.00	-	539.35	500.00	39.35	1,000.00	53.94%	(460.65)
10-35-04	INTEREST INCOME	453.25	151.68	128.62	368.95	1,338.60	5,200.00	(3,861.40)	10,400.00	12.87%	(9,061.40)
10-35-05	LATE CHARGES	474.00	536.00	527.00	636.00	3,607.00	1,250.00	2,357.00	2,500.00	144.28%	1,107.00
10-35-06	OTHER INCOME	45.00	-	-	-	45.00	-	45.00	-	-	45.00
10-35-15	REFUND OF EXPENDITURES	3,372.48	1,502.00	(1,431.00)	1,431.00	4,929.88	-	4,929.88	-	-	4,929.88
10-35-16	RESTITUTION	-	467.70	1,051.00	-	1,543.85	2,850.00	(1,306.15)	5,700.00	27.09%	(4,156.15)
10-35-20	GRANT REVENUE	13,192.37	-	-	-	13,192.37	-	13,192.37	-	-	13,192.37
		40,486.37	10,210.73	33,470.86	20,079.41	157,151.48	139,702.15	17,449.33	158,708.00	99.02%	(1,556.52)
10-41-01	MAYOR & TRUSTEES	1,800.00	-	-	1,800.00	3,600.00	3,600.00	-	7,200.00	50.00%	(3,600.00)
10-41-03	SALARIES & WAGES	1,086.28	786.32	1,179.43	1,086.28	5,705.78	9,130.76	3,424.98	18,261.52	31.24%	(12,555.74)
10-41-04	EMPLOYER FICA	176.36	46.16	69.24	176.36	561.17	786.24	225.07	1,572.47	35.69%	(1,011.30)
10-41-05	EMPLOYER MEDICARE	41.26	10.80	16.20	41.26	131.29	183.88	52.59	367.75	35.70%	(236.46)
10-41-06	UNEMPLOYMENT TAX	2.36	2.36	3.54	2.31	15.28	25.45	10.17	50.89	30.03%	(35.61)
10-41-07	INSURANCE BENEFITS	184.00	184.02	365.84	184.00	1,104.03	2,182.47	1,078.44	4,364.93	25.29%	(3,260.90)
10-41-08	PENSION BENEFITS	38.80	38.80	58.20	38.80	252.20	675.72	423.52	1,351.44	18.66%	(1,099.24)
10-41-10	WORKMENS COMPENSATION	-	-	-	-	123.90	65.50	(58.40)	131.00	94.58%	(7.10)
10-41-15	OFFICE SUPPLIES	146.69	499.11	318.89	653.69	1,645.32	1,968.50	323.18	3,937.00	41.79%	(2,291.68)
10-41-16	OPERATING SUPPLIES	76.85	36.05	52.95	55.89	255.10	360.50	105.40	721.00	35.38%	(465.90)
10-41-17	POSTAGE	17.00	249.27	-	33.17	299.44	225.00	(74.44)	450.00	66.54%	(150.56)
10-41-20	LEGAL SERVICES	4,736.50	4,946.66	3,385.66	5,585.66	23,821.14	25,580.00	1,758.86	51,160.00	46.56%	(27,338.86)
10-41-21	AUDIT & BUDGET EXPENSE	-	-	-	-	-	2,255.00	2,255.00	4,510.00	0.00%	(4,510.00)
10-41-25	TOWN HALL EXPENSE	1,001.30	778.62	759.28	1,501.42	5,529.57	5,841.50	311.93	11,683.00	47.33%	(6,153.43)
10-41-26	TRAVEL & MEETINGS	632.04	71.19	92.13	-	944.67	5,395.00	4,450.33	10,790.00	8.76%	(9,845.33)
10-41-27	INSURANCE & BONDS	-	-	-	-	4,072.88	1,883.00	(2,189.88)	3,766.00	108.15%	306.88
10-41-28	UTILITIES	264.81	399.68	397.35	231.10	2,231.61	2,202.50	(29.11)	4,405.00	50.66%	(2,173.39)
10-41-29	TELEPHONE	235.01	235.01	235.01	235.39	1,454.80	573.50	(881.30)	1,147.00	126.84%	307.80
10-41-30	PUBLISHING & ADS	1,043.31	982.61	1,173.53	94.37	3,340.30	750.00	(2,590.30)	1,500.00	222.69%	1,840.30
10-41-31	DUES & SUBSCRIPTIONS	445.00	32.00	75.00	769.00	6,069.69	4,851.50	(1,218.19)	9,703.00	62.55%	(3,633.31)
10-41-33	DATA PROCESSING	477.95	891.61	1,188.47	574.33	6,951.96	6,863.00	(88.96)	13,726.00	50.65%	(6,774.04)
10-41-43	CULTURAL EVENTS	-	-	-	-	-	425.00	425.00	850.00	0.00%	(850.00)
10-41-44	HUMAN SERVICES	-	-	-	3,800.00	3,950.00	2,125.00	(1,825.00)	4,250.00	92.94%	(300.00)
10-41-90	TREASURER'S FEE	467.94	140.69	693.88	332.18	2,716.38	1,405.00	(1,311.38)	2,810.00	96.67%	(93.62)
	MISCELLANEOUS	6,817.75	5,593.00	6,775.00	150.00	23,890.17	-	(23,890.17)	-	-	23,890.17
	TRANSFERS/GRANT EXP	-	-	15,299.00	5,028.00	20,327.00	-	(20,327.00)	-	-	20,327.00
		19,691.21	15,923.96	32,138.60	22,373.21	118,993.68	79,354.00	(39,639.68)	158,708.00	74.98%	(39,714.32)
		20,795.16	(5,713.23)	1,332.26	(2,293.80)	38,157.80	60,348.15	(22,190.35)	-	-	38,157.80
	BEGINNING RESERVE					12,936.79			12,936.79		12,936.79
	INCOME	40,486.37	10,210.73	33,470.86	20,079.41	157,151.48	139,702.15	17,449.33	158,708.00		(1,556.52)
	EXPENDITURE	19,691.21	15,923.96	32,138.60	22,373.21	118,993.68	79,354.00	(39,639.68)	158,708.00		(39,714.32)
	NET CHANGE	20,795.16	(5,713.23)	1,332.26	(2,293.80)	38,157.80	60,348.15	(22,190.35)	-		38,157.80
	ENDING RESERVE					51,094.59			12,936.79		51,094.59
	25% MIN RESERVE					29,748.42					
	NET AVAILABLE RESERVE					21,346.17					

DRAFT		THESE NUMBERS ARE SUBJECT TO CHANGE				2021			2021	50%	
AS OF:	6/30/2021	JUNE	MAY	APRIL	MARCH	CUR YTD	6	REMAINING	ORIG	% OF	REMAINING
ACCT NO	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MO BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>BUILDING</b>											
12-31-03	SALES TAX - TOWN	-	-	-	1,194.00	1,194.00	597.00	597.00	1,194.00	0.00%	-
12-32-03	BUILDING PERMITS	4,374.10	3,343.55	3,255.20	1,579.50	13,847.55	15,000.00	(1,152.45)	30,000.00	46.16%	(16,152.45)
		4,374.10	3,343.55	3,255.20	2,773.50	15,041.55	15,597.00	(555.45)	31,194.00	48.22%	(16,152.45)
12-43-03	SALARIES & WAGES	136.98	137.02	205.48	136.98	889.58	897.55	7.97	1,795.09	49.56%	(905.51)
	CONTRACT LABOR	7,080.00	5,328.00	-	-	13,413.00	13,400.00	(13.00)	26,800.00	50.05%	(13,387.00)
12-43-04	EMPLOYER FICA	8.02	8.02	12.03	8.02	52.26	55.46	3.20	110.91	47.12%	(58.65)
12-43-05	EMPLOYER MEDICARE	1.88	1.88	2.82	1.88	12.25	12.97	0.72	25.94	47.22%	(13.69)
12-43-06	UNEMPLOYMENT TAX	0.42	0.42	0.63	0.42	2.73	2.69	(0.04)	5.37	50.84%	(2.64)
12-43-07	HEALTH INSURANCE	33.62	33.64	66.84	33.62	201.75	207.80	6.05	415.60	48.54%	(213.85)
12-43-08	PENSION	6.76	6.76	10.14	6.76	43.94	82.55	38.61	165.09	26.62%	(121.15)
12-43-10	WORKMENS COMPENSATION	-	-	-	-	16.20	9.00	(7.20)	18.00	90.00%	(1.80)
12-43-15	OFFICE SUPPLIES	12.85	-	-	-	12.85	248.50	235.65	497.00	2.59%	(484.15)
12-43-17	POSTAGE	-	-	-	-	-	25.00	25.00	50.00	0.00%	(50.00)
12-43-27	INSURANCE & BONDS	-	-	-	-	777.80	388.00	(389.80)	776.00	100.23%	1.80
12-43-31	DUES & SUBSCRIPTIONS	-	-	-	145.00	145.00	267.50	122.50	535.00	27.10%	(390.00)
		7,280.53	5,515.74	297.94	332.68	15,567.36	15,597.00	29.64	31,194.00	49.90%	(15,626.64)
		(2,906.43)	(2,172.19)	2,957.26	2,440.82	(525.81)	-	(525.81)	-	-	(525.81)
	BEGINNING RESERVE					2,000.00	2,000.00	2,000.00	2,000.00		2,000.00
	INCOME	4,374.10	3,343.55	3,255.20	2,773.50	15,041.55	15,597.00	(555.45)	31,194.00		(16,152.45)
	EXPENDITURE	7,280.53	5,515.74	297.94	332.68	15,567.36	15,597.00	29.64	31,194.00		(15,626.64)
	NET CHANGE	(2,906.43)	(2,172.19)	2,957.26	2,440.82	(525.81)	-	(525.81)	-		(525.81)
	ENDING RESERVE					1,474.19					1,474.19
	25% MIN RESERVE					3,891.84					
	NET AVAILABLE RESERVE					(2,417.65)					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE	MAY	APRIL	MARCH	CUR YTD			ORIG	% OF	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MO BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>LAW ENFORCEMENT</b>											
14-31-02	S.O. AUTO TAXES	1,812.50	2,061.84	2,085.72	1,733.29	11,317.39	9,500.00	1,817.39	19,000.00	59.57%	(7,682.61)
14-31-03	SALES TAX - TOWN	18,697.97	19,335.56	14,755.73	16,530.08	90,577.90	86,978.50	3,599.40	173,957.00	52.07%	(83,379.10)
14-31-04	SALES TAX - COUNTY	32,826.32	33,100.78	26,685.20	25,091.01	131,572.41	63,350.00	68,222.41	126,700.00	103.85%	4,872.41
		-	-	-	-		81,000.00	(81,000.00)	162,000.00	0.00%	(162,000.00)
14-31-06	CIGARETTE TAX	-	121.59	41.59	-	760.91	700.00	60.91	1,400.00	54.35%	(639.09)
14-32-06	VIN INSPECTIONS	135.00	265.00	135.00	285.00	995.00	577.50	417.50	1,155.00	86.15%	(160.00)
14-33-02	MOTOR VEHICLE - \$1.50	233.01	227.26	258.74	205.00	1,248.41	1,312.50	(64.09)	2,625.00	47.56%	(1,376.59)
14-33-03	MOTOR VEHICLE - \$2.50	337.50	315.00	380.00	325.00	1,865.00	1,860.00	5.00	3,720.00	50.13%	(1,855.00)
14-34-01	COURT FINES	19.75	122.50	-	300.00	742.25	200.00	542.25	400.00	185.56%	342.25
14-34-02	POLICE FINES	2,768.00	645.00	1,987.00	542.00	12,213.00	8,612.50	3,600.50	17,225.00	70.90%	(5,012.00)
14-34-03	MISCELLANEOUS FINES-BONDS	-	-	-	5.00	10.00	-	10.00	-	-	10.00
14-34-04	OTHER AGENCY	-	3,900.00	-	-	3,900.00	-	3,900.00	-	-	3,900.00
	SCHOOL (SRO)	-	-	-	-	-	5,000.00	(5,000.00)	10,000.00	0.00%	(10,000.00)
14-34-05	DOG TAGS	25.00	-	40.00	30.00	190.00	150.00	40.00	300.00	63.33%	(110.00)
14-34-50	PD Grant	995.00	-	-	-	995.00	2,700.00	(1,705.00)	5,400.00	18.43%	(4,405.00)
		57,850.05	60,094.53	46,368.98	45,046.38	256,387.27	261,941.00	(5,553.73)	523,882.00	48.94%	(267,494.73)
14-42-01	SALARIES & WAGES	-	-	(3,861.00)	-	(3,861.00)	4,800.00	8,661.00	9,600.00	-40.22%	(13,461.00)
14-42-02	JUDGE	525.00	525.00	525.00	525.00	3,150.00	4,800.00	1,650.00	9,600.00	32.81%	(6,450.00)
14-42-03	SALARIES & WAGES	21,333.32	25,219.53	40,959.88	24,573.70	155,810.65	160,267.39	4,456.73	320,534.77	48.61%	(164,724.12)
14-42-04	EMPLOYER FICA	136.11	136.10	187.89	136.10	870.56	634.84	(235.73)	1,269.67	68.57%	(399.11)
14-42-05	EMPLOYER MEDICARE	302.46	356.38	572.03	344.36	2,202.67	2,335.82	133.15	4,671.64	47.15%	(2,468.97)
14-42-06	UNEMPLOYMENT TAX	65.58	77.24	124.47	75.31	476.95	483.28	6.33	966.55	49.35%	(489.60)
14-42-07	INSURANCE BENEFITS	1,853.53	1,853.50	5,082.47	2,302.59	12,945.31	24,316.59	11,371.28	48,633.17	26.62%	(35,687.86)
	PENSION BENEFITS	461.12	445.84	675.36	450.94	2,842.95	-	(2,842.95)	-	-	2,842.95
14-42-10	WORKMENS COMPENSATION	-	-	-	-	8,972.49	4,707.50	(4,264.99)	9,415.00	95.30%	(442.51)
14-42-11	FPPA PENSION	1,588.14	1,804.98	2,710.65	1,746.61	11,191.09	12,243.40	1,052.31	24,486.80	45.70%	(13,295.71)
14-42-12	FPPA D & D	560.52	637.05	956.70	616.45	3,949.80	4,321.20	371.40	8,642.40	45.70%	(4,692.60)
14-42-15	OFFICE SUPPLIES	292.46	69.78	-	117.04	479.28	655.00	175.72	1,310.00	36.59%	(830.72)
14-42-16	OPERATING SUPPLIES	1,993.74	2.77	271.74	233.75	3,058.85	5,726.50	2,667.65	11,453.00	26.71%	(8,394.15)
14-42-17	POSTAGE	18.90	53.47	-	35.97	109.34	117.50	8.16	235.00	46.53%	(125.66)
14-42-20	LEGAL SERVICES	-	-	-	-	-	1,250.00	1,250.00	2,500.00	0.00%	(2,500.00)
14-42-22	REPAIRS & MAINTENANCE	-	-	-	-	-	180.00	180.00	360.00	0.00%	(360.00)
14-42-23	VEHICLE EXPENSE	2,749.30	908.59	1,270.19	852.79	7,882.10	5,267.50	(2,614.60)	10,535.00	74.82%	(2,652.90)
14-42-26	TRAVEL & MEETINGS	-	299.00	-	1,005.00	2,470.37	4,750.00	2,279.63	9,500.00	26.00%	(7,029.63)
14-42-27	INSURANCE & BONDS	-	-	-	-	22,658.51	11,108.00	(11,550.51)	22,216.00	101.99%	442.51
14-42-28	UTILITIES	89.01	154.97	157.11	70.20	901.79	900.00	(1.79)	1,800.00	50.10%	(898.21)
14-42-29	TELEPHONE	595.28	596.34	204.28	453.15	2,572.90	1,632.50	(940.40)	3,265.00	78.80%	(692.10)
14-42-30	PUBLISHING & ADS	130.35	50.40	-	-	180.75	52.00	(128.75)	104.00	173.80%	76.75
14-42-31	DUES & SUBSCRIPTIONS	-	-	-	2,741.79	4,510.87	3,025.00	(1,485.87)	6,050.00	74.56%	(1,539.13)
14-42-33	Data Processing	-	488.12	488.12	-	10,621.99	12,617.00	1,995.01	25,234.00	42.09%	(14,612.01)
	HUMAN SERVICES	-	-	-	400.00	400.00	550.00	150.00	1,100.00	36.36%	(700.00)
		32,694.82	33,679.06	50,324.89	36,680.75	254,398.22	266,741.00	12,342.78	533,482.00	47.69%	(279,083.78)
		25,155.23	26,415.47	(3,955.91)	8,365.63	1,989.05	(4,800.00)	6,789.05	(9,600.00)	-	11,589.05
	BEGINNING RESERVE					156,386.99	156,386.99	156,386.99	156,386.99		156,386.99
	INCOME	57,850.05	60,094.53	46,368.98	45,046.38	256,387.27	261,941.00	(5,553.73)	523,882.00		(267,494.73)
	EXPENDITURE	32,694.82	33,679.06	50,324.89	36,680.75	254,398.22	266,741.00	12,342.78	533,482.00		(279,083.78)
	NET CHANGE	25,155.23	26,415.47	(3,955.91)	8,365.63	1,989.05	(4,800.00)	6,789.05	(9,600.00)		11,589.05
	ENDING RESERVE					158,376.04	151,586.99	163,176.04	146,786.99		167,976.04
	25% MIN RESERVE					64,096.82					
	NET AVAILABLE RESERVE					(220,483.81)					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE	MAY	APRIL	MARCH	CUR YTD			MO BUDGET	BUDGET	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL						
<b>PARKS</b>											
16-31-03	SALES TAX-TOWN	18,697.98	-	-	14,345.08	54,301.62	70,315.94	(16,014.32)	140,631.88	38.61%	(86,330.26)
16-33-07	SEVERANCE TAX	-	-	-	-	-	2,500.00	(2,500.00)	5,000.00	0.00%	(5,000.00)
16-33-08	MINERAL LEASING	-	-	-	-	-	1,962.50	(1,962.50)	3,925.00	0.00%	(3,925.00)
16-35-01	RENTS & ROYALTIES	1,490.00	320.00	110.00	40.00	2,680.08	4,711.00	(2,030.92)	9,422.00	28.44%	(6,741.92)
16-35-09	PARK CONTRIBUTIONS	325.00	-	275.00	-	5,725.00	335.00	5,390.00	670.00		5,055.00
16-35-10	OTHER AGENCY CONT RESERVES	-	-	-	-	-	4,500.00	(4,500.00)	9,000.00	0.00%	(9,000.00)
		-	-	-	-	-	7,500.00	(7,500.00)	15,000.00	0.00%	(15,000.00)
		20,512.98	320.00	385.00	14,385.08	62,706.70	91,824.44	(29,117.74)	183,648.88	34.14%	(120,942.18)
16-46-03	SALARIES & WAGES	3,694.60	3,386.04	4,981.61	3,200.46	21,951.58	25,579.13	3,627.55	51,158.25	42.91%	(29,206.67)
16-46-04	EMPLOYER FICA	220.64	201.52	296.21	189.99	1,310.09	1,548.81	238.72	3,097.62	42.29%	(1,787.53)
16-46-05	EMPLOYER MEDICARE	51.62	47.15	69.32	44.47	306.54	362.22	55.68	724.44	42.31%	(417.90)
16-46-06	UNEMPLOYMENT TAX	11.08	10.16	14.97	9.61	65.38	74.94	9.56	149.88	43.62%	(84.50)
16-46-07	INSURANCE BENEFITS	600.52	600.47	1,196.10	600.48	3,602.38	5,538.67	1,936.29	11,077.33	32.52%	(7,474.95)
16-46-08	PENSION BENEFITS	149.23	149.14	231.11	145.44	958.45	1,692.68	734.23	3,385.36	28.31%	(2,426.91)
16-46-10	WORKMENS COMPENSATION	-	-	-	-	1,684.90	884.00	(800.90)	1,768.00	95.30%	(83.10)
16-46-15	OFFICE SUPPLIES	-	-	-	-	-	18.50	18.50	37.00	0.00%	(37.00)
16-46-16	OPERATING SUPPLIES	1,311.91	238.73	401.11	394.58	2,383.69	3,270.00	886.31	6,540.00	36.45%	(4,156.31)
16-46-17	POSTAGE	-	21.84	-	-	21.84	25.00	3.16	50.00	43.68%	(28.16)
16-46-22	REPAIRS & MAINTENANCE	1,740.49	991.90	3,934.71	-	6,669.36	25,584.50	18,915.14	51,169.00	13.03%	(44,499.64)
16-46-23	VEHICLE EXPENSE	516.49	501.44	620.35	131.80	1,835.90	575.00	(1,260.90)	1,150.00	159.64%	685.90
16-46-24	RENTALS	-	-	123.00	-	123.00	425.00	302.00	850.00	14.47%	(727.00)
16-46-25	SHOP EXPENSE	1,476.49	176.28	99.40	-	1,752.17	541.00	(1,211.17)	1,082.00	161.94%	670.17
16-46-27	INSURANCE & BONDS	-	-	-	-	3,801.10	1,859.00	(1,942.10)	3,718.00	102.24%	83.10
16-46-28	UTILITIES	495.28	530.30	535.22	380.35	3,239.94	3,156.00	(83.94)	6,312.00	51.33%	(3,072.06)
16-46-29	TELEPHONE	97.56	98.16	33.76	66.56	364.38	408.00	43.62	816.00	44.65%	(451.62)
16-46-30	PUBLISHING & ADS	43.08	-	-	-	43.08	-	(43.08)	-		43.08
16-46-32	FEES & PERMITS	-	-	-	100.00	748.45	374.50	(373.95)	749.00	99.93%	(0.55)
16-46-42	CONTRACT SERVICES	-	-	15,850.59	-	15,850.59	1,500.00	(14,350.59)	3,000.00	528.35%	12,850.59
16-46-70	CAPITAL OUTLAY MISCELLANEOUS	318.74	1,350.00	-	-	11,668.74	18,407.50	6,738.76	36,815.00	31.70%	(25,146.26)
		925.00	765.00	-	-	1,690.00	-	(1,690.00)	-		1,690.00
		11,652.73	9,068.13	28,387.46	5,263.74	80,071.56	91,824.44	11,752.88	183,648.88	43.60%	(103,577.32)
		8,860.25	(8,748.13)	(28,002.46)	9,121.34	(17,364.86)	-	(17,364.86)	-		(17,364.86)
	BEGINNING RESERVE					51,485.13	51,485.13	51,485.13	51,485.13		51,485.13
	INCOME	20,512.98	320.00	385.00	14,385.08	62,706.70	91,824.44	(29,117.74)	183,648.88		(120,942.18)
	EXPENDITURE	11,652.73	9,068.13	28,387.46	5,263.74	80,071.56	91,824.44	11,752.88	183,648.88		(103,577.32)
	NET CHANGE	8,860.25	(8,748.13)	(28,002.46)	9,121.34	(17,364.86)	-	(17,364.86)	-		(17,364.86)
	ENDING RESERVE					34,120.27	51,485.13	34,120.27	51,485.13		34,120.27
	25% MIN RESERVE					20,017.89					
	NET AVAILABLE RESERVE					14,102.38					

DRAFT		THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6		2021	50%	
AS OF:	6/30/2021	JUNE	MAY	APRIL	MARCH	CUR YTD	MO BUDGET	REMAINING BUDGET	ORIG BUDGET	% OF BUDGET	REMAINING BUDGET
ACCT NO	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL					
<b>STREETS</b>											
20-31-03	SALES TAX-TOWN	-	19,335.56	14,755.72	-	34,091.28	51,903.50	(17,812.22)	103,807.00	32.84%	(69,715.72)
20-31-05	FRANCHISE TAX	3,475.88	8,684.69	3,659.00	8,463.92	32,856.56	29,290.00	3,566.56	58,580.00	56.09%	(25,723.44)
20-31-06	MISCELLANEOUS INCOME	-	500.00			500.00	-	500.00	-		
20-32-02	MISCELLANEOUS PERMITS	250.00	2,010.00	200.00	260.00	2,890.00	875.00	2,015.00	1,750.00	165.14%	1,140.00
20-33-01	HIGHWAY USERS TAX	4,007.33	3,952.16	3,260.36	3,343.80	17,924.01	22,055.50	(4,131.49)	44,111.00	40.63%	(26,186.99)
20-33-10	ROAD & BRIDGE	1,324.99	397.21	1,965.51	941.02	7,690.51	3,250.00	4,440.51	6,500.00	118.32%	1,190.51
20-35-02	MOTOR FUEL TAX REFUNDS	467.03	-	-		467.03	775.00	(307.97)	1,550.00	30.13%	(1,082.97)
		9,525.23	34,879.62	23,840.59	13,008.74	96,419.39	108,149.00	(11,729.61)	216,298.00	44.58%	(120,378.61)
20-45-03	SALARIES & WAGES	5,379.33	4,735.09	6,975.90	4,488.93	30,896.37	40,769.35	9,872.98	81,538.70	37.89%	(50,642.33)
20-45-04	EMPLOYER FICA	322.21	282.27	415.53	267.02	1,847.31	2,468.14	620.83	4,936.27	37.42%	(3,088.96)
20-45-05	EMPLOYER MEDICARE	75.35	66.02	97.20	62.45	432.09	577.23	145.14	1,154.45	37.43%	(722.36)
20-45-06	UNEMPLOYMENT TAX	16.15	14.23	20.96	13.50	92.11	119.43	27.32	238.85	38.56%	(146.74)
20-45-07	INSURANCE BENEFITS	822.97	823.13	1,639.70	823.06	4,937.32	12,080.87	7,143.55	24,161.73	20.43%	(19,224.41)
20-45-08	PENSION BENEFITS	205.50	205.32	322.78	197.92	1,312.65	-	(1,312.65)			1,312.65
20-45-10	WORKMENS COMPENSATION	-	-	-	-	3,305.00	1,734.00	(1,571.00)	3,468.00	95.30%	(163.00)
20-45-15	OFFICE SUPPLIES	-	-	-	-	-	15.00	15.00	30.00	0.00%	(30.00)
20-45-16	OPERATING SUPPLIES	3.48	2.77	3.26	4.29	16.36	420.00	403.64	840.00	1.95%	(823.64)
20-45-17	POSTAGE	-	-	-	-	-	95.00	95.00	190.00	0.00%	(190.00)
20-45-22	REPAIRS & MAINTENANCE	955.05	199.01	450.44	636.48	2,240.98	6,358.00	4,117.02	12,716.00	17.62%	(10,475.02)
20-45-23	VEHICLE EXPENSE	525.32	658.99	1,274.95	782.60	3,855.44	3,577.50	(277.94)	7,155.00	53.88%	(3,299.56)
20-45-25	SHOP EXPENSE	376.12	174.51	169.57	784.93	1,701.08	939.50	(761.58)	1,879.00	90.53%	(177.92)
20-45-27	INSURANCE & BONDS	18.75	44.92	-	-	3,311.42	1,658.50	(1,652.92)	3,317.00	99.83%	(5.58)
20-45-28	UTILITIES	746.51	908.47	912.09	753.85	5,327.37	5,382.50	55.13	10,765.00	49.49%	(5,437.63)
20-45-29	TELEPHONE	87.54	98.16	33.76	66.56	375.94	375.50	(0.44)	751.00	50.06%	(375.06)
20-45-30	PUBLISHING & ADS	-	-	24.00	-	24.00	-	(24.00)	-		24.00
20-45-42	SNOW REMOVAL	-	-	-	1,550.19	1,725.06	4,078.50	2,353.44	8,157.00	21.15%	(6,431.94)
20-45-70	CAPITAL OUTLAY	-	-	-	-	-	27,500.00	27,500.00	55,000.00	0.00%	(55,000.00)
		9,534.28	8,212.89	12,340.14	10,431.78	61,400.50	108,149.00	46,748.50	216,298.00	28.39%	(154,897.50)
		(9.05)	26,666.73	11,500.45	2,576.96	35,018.89	-	35,018.89	-		(275,276.11)
	BEGINNING RESERVE					151,477.11	151,477.11	151,477.11	151,477.11		151,477.11
	INCOME	9,525.23	34,879.62	23,840.59	13,008.74	96,419.39	108,149.00	(11,729.61)	216,298.00		(120,378.61)
	EXPENDITURE	9,534.28	8,212.89	12,340.14	10,431.78	61,400.50	108,149.00	46,748.50	216,298.00		(154,897.50)
	NET CHANGE	(9.05)	26,666.73	11,500.45	2,576.96	35,018.89	-	35,018.89	-		34,518.89
	ENDING RESERVE					186,496.00	151,477.11	186,496.00	151,477.11		185,996.00
	50% MIN RESERVE					30,700.25					
	NET AVAILABLE RESERVE					155,795.75					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE	MAY	APRIL	MARCH	CUR YTD			ORIG	% OF	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MO BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>STREET-CAPITAL IMPROVEMENT</b>											
22-31-05	IMPACT FEE	4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	30,911.00	(4,049.80)	61,822.00	43.45%	(34,960.80)
	MARIJUANA REVENUE	-	-	-	-	-	12,500.00	(12,500.00)	25,000.00	0.00%	(25,000.00)
	TRANSFER	-	-	-	-	-	88,586.50	(88,586.50)	177,173.00	0.00%	(177,173.00)
	RESERVES	-	-	-	-	-	25,502.50	(25,502.50)	51,005.00		(51,005.00)
		4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	157,500.00	(130,638.80)	315,000.00		(288,138.80)
22-45-22	REPAIRS & MAINTENANCE	-	-	-	-	-	157,500.00	157,500.00	315,000.00	0.00%	(315,000.00)
		-	-	-	-	-	157,500.00	157,500.00	315,000.00		(315,000.00)
		4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	-	26,861.20	-		26,861.20
	BEGINNING RESERVE					53,877.00	53,877.00	53,877.00	53,877.00		
	INCOME	4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	157,500.00	(130,638.80)	315,000.00		
	EXPENDITURE	-	-	-	-	-	157,500.00	157,500.00	315,000.00		
	NET CHANGE	4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	-	26,861.20	-		
	ENDING RESERVE					80,738.20	53,877.00	80,738.20	53,877.00		
	COMMITTED					80,738.20					
	NET AVAILABLE RESERVE					-					
<b>BRIDGE</b>											
24-35-04	INTEREST INCOME	19.46	28.69	27.81	32.41	199.89	3,500.00	(3,300.11)	7,000.00	2.86%	(6,800.11)
24-35-13	BRIDGE REVENUE	-	-	-	-	-	20,000.00	(20,000.00)	40,000.00	0.00%	(40,000.00)
		19.46	28.69	27.81	32.41	199.89	23,500.00	(23,300.11)	47,000.00	0.43%	(46,800.11)
24-45-22	REPAIRS & MAINTENANCE	-	-	-	-	-	25,000.00	25,000.00	50,000.00	0.00%	(50,000.00)
		-	-	-	-	-	25,000.00	25,000.00	50,000.00	0.00%	(50,000.00)
		19.46	28.69	27.81	32.41	199.89	(1,500.00)	1,699.89	(3,000.00)		3,199.89
	BEGINNING RESERVE					188,433.00	188,433.00	188,433.00	188,433.00		188,433.00
	INCOME	19.46	28.69	27.81	32.41	199.89	23,500.00	(23,300.11)	47,000.00		(46,800.11)
	EXPENDITURE	-	-	-	-	-	25,000.00	25,000.00	50,000.00		(50,000.00)
	NET CHANGE	19.46	28.69	27.81	32.41	199.89	(1,500.00)	1,699.89	(3,000.00)		3,199.89
	ENDING RESERVE					188,632.89	186,933.00	190,132.89	185,433.00		191,632.89
	COMMITTED					188,632.89					
	NET AVAILABLE RESERVE					-					
<b>SIDEWALK</b>											
26-30-01	SIDEWALK REVENUE	2,601.47	2,618.23	2,565.46	2,387.43	15,376.14	15,517.00	(140.86)	31,034.00	49.55%	(15,657.86)
		2,601.47	2,618.23	2,565.46	2,387.43	15,376.14	15,517.00	(140.86)	31,034.00	49.55%	(15,657.86)
26-45-22	REPAIRS & MAINTENANCE	555.00	-	-	-	555.00	15,517.00	14,962.00	31,034.00	1.79%	(30,479.00)
		555.00	-	-	-	555.00	15,517.00	14,962.00	31,034.00	1.79%	(30,479.00)
		2,046.47	2,618.23	2,565.46	2,387.43	14,821.14	-	14,821.14	-		14,821.14
	BEGINNING RESERVE					2,852.00	2,852.00	2,852.00	2,852.00		2,852.00
	INCOME	2,601.47	2,618.23	2,565.46	2,387.43	15,376.14	15,517.00	(140.86)	31,034.00		(15,657.86)
	EXPENDITURE	555.00	-	-	-	555.00	15,517.00	14,962.00	31,034.00		(30,479.00)
	NET CHANGE	2,046.47	2,618.23	2,565.46	2,387.43	14,821.14	-	14,821.14	-		14,821.14
	ENDING RESERVE					17,673.14	2,852.00	17,673.14	2,852.00		17,673.14
	COMMITTED					17,673.14					
	NET AVAILABLE RESERVE					-					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021 CUR YTD ACTUAL	6 MO BUDGET	REMAINING BUDGET	2021 ORIG BUDGET	50% % OF BUDGET	REMAINING BUDGET
		JUNE ACTUAL	MAY ACTUAL	APRIL ACTUAL	MARCH ACTUAL						
<b>SPACE2CREATE</b>											
32-35-05	INTEREST RESERVES	1.62	1.68	1.62	1.68	9.80	15.00 (5.20)	30.00	32.67%	(20.20)	
		-	-	-	-	-	6,581.79 (6,581.79)	13,163.57	0.00%	(13,163.57)	
		1.62	1.68	1.62	1.68	9.80	6,596.79 (6,586.99)	13,193.57	0.07%	(13,183.77)	
32-50-22	STUDIES	-	-	159.50	-	159.50	- (159.50)			159.50	
32-50-30	PUBLISHING & ADS	-	-	-	-	1,250.00	6,596.79 5,346.79	13,193.57	9.47%	(11,943.57)	
		-	-	159.50	-	1,409.50	6,596.79 5,187.29	13,193.57	10.68%	(11,784.07)	
		1.62	1.68	(157.88)	1.68	(1,399.70)	- (1,399.70)	-		(1,399.70)	
	BEGINNING RESERVE					13,165.00	13,165.00	13,165.00		13,165.00	
	INCOME	1.62	1.68	1.62	1.68	9.80	6,596.79 (6,586.99)	13,193.57		(13,183.77)	
	EXPENDITURE	-	-	159.50	-	1,409.50	6,596.79 5,187.29	13,193.57		(11,784.07)	
	NET CHANGE	1.62	1.68	(157.88)	1.68	(1,399.70)	- (1,399.70)	-		(1,399.70)	
	ENDING RESERVE					11,765.30	13,165.00 11,765.30	13,165.00		11,765.30	
	COMMITTED					11,765.30					
	NET AVAILABLE RESERVE					-					
<b>CONSERVATION TRUST FUND</b>											
40-38-01	CONSERVATION TRUST-REV.	2,624.94	-	-	2,080.96	4,705.90	3,746.00 959.90	7,492.00	62.81%	(2,786.10)	
40-38-02	INTEREST RESERVES	1.28	1.32	1.24	1.06	6.92	1.50 5.42	3.00	230.67%	3.92	
		-	-	-	-	-	3,168.84 (3,168.84)	6,337.67	0.00%	(6,337.67)	
		2,626.22	1.32	1.24	2,082.02	4,712.82	6,916.34 (2,203.52)	13,832.67	34.07%	(9,119.85)	
40-46-20	EXPENDITURES-CONS. TRUST	-	-	-	-	-	6,916.34 6,916.34	13,832.67	0.00%	(13,832.67)	
		-	-	-	-	-	6,916.34 6,916.34	13,832.67	0.00%	(13,832.67)	
		2,626.22	1.32	1.24	2,082.02	4,712.82	- 4,712.82	-		4,712.82	
	BEGINNING RESERVE					8,311.00	8,311.00	8,311.00		8,311.00	
	INCOME	2,626.22	1.32	1.24	2,082.02	4,712.82	6,916.34 (2,203.52)	13,832.67		(9,119.85)	
	EXPENDITURE	-	-	-	-	-	6,916.34 6,916.34	13,832.67		(13,832.67)	
	NET CHANGE	2,626.22	1.32	1.24	2,082.02	4,712.82	- 4,712.82	-		4,712.82	
	ENDING RESERVE					13,023.82	8,311.00 13,023.82	8,311.00		13,023.82	
	COMMITTED					13,023.82					
	NET AVAILABLE RESERVE					-					
<b>CAPITAL IMPROVEMENT</b>											
50-31-03	SALES TAX - CAP IMP	18,697.98	19,335.57	14,755.73	16,530.09	90,577.92	105,145.00 (14,567.08)	210,290.00	43.07%	(119,712.08)	
50-31-06	AIRPORT REVENUE RESERVES	637.50	637.50	1,275.00	-	3,825.00	3,825.00 -	7,650.00	50.00%	(3,825.00)	
		-	-	-	-	-	134,293.25 (134,293.25)	268,586.49	0.00%	(268,586.49)	
		19,335.48	19,973.07	16,030.73	16,530.09	94,402.92	243,263.25 (148,860.33)	486,526.49	19.40%	(392,123.57)	
50-70-20	CAPITAL OUTLAY	3,689.00	8,850.67	3,558.45	7,256.80	53,238.37	154,676.52 101,438.15	309,353.03	17.21%	(256,114.66)	
50-70-99	Transfer Out	-	-	-	-	-	88,586.73 88,586.73	177,173.46	0.00%	(177,173.46)	
		3,689.00	8,850.67	3,558.45	7,256.80	53,238.37	243,263.25 190,024.88	486,526.49	10.94%	(433,288.12)	
		15,646.48	11,122.40	12,472.28	9,273.29	41,164.55	- (338,885.20)	-		41,164.55	
	BEGINNING RESERVE					343,907.00	343,907.00	343,907.00		343,907.00	
	INCOME	19,335.48	19,973.07	16,030.73	16,530.09	94,402.92	243,263.25 (148,860.33)	486,526.49		(392,123.57)	
	EXPENDITURE	3,689.00	8,850.67	3,558.45	7,256.80	53,238.37	243,263.25 190,024.88	486,526.49		(433,288.12)	
	NET CHANGE	15,646.48	11,122.40	12,472.28	9,273.29	41,164.55	- 41,164.55	-		41,164.55	
	ENDING RESERVE					385,071.55	343,907.00 385,071.55	343,907.00		385,071.55	
	COMMITTED					385,071.55					
	NET AVAILABLE RESERVE					-					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021 CUR YTD ACTUAL	6 MO BUDGET	REMAINING BUDGET	2021 ORIG BUDGET	50% % OF BUDGET	REMAINING BUDGET
		JUNE ACTUAL	MAY ACTUAL	APRIL ACTUAL	MARCH ACTUAL						
<b>WATER</b>											
60-36-01	WATER CHARGES-RECEIVED	88,041.13	82,522.45	87,275.17	68,037.80	475,946.18	596,747.00	(120,800.82)	1,193,494.00	39.88%	(717,547.82)
60-36-02	WATER TAPS	500.00	500.00	500.00	500.00	3,000.00	-	3,000.00	-	-	3,000.00
60-36-03	SALES & SERVICES	800.06	950.00	1,077.42	425.00	4,252.48	2,250.00	2,002.48	4,500.00	94.50%	(247.52)
60-36-04	STANDBY TAP FEES	3,911.73	7,688.00	3,810.00	3,852.31	27,350.04	28,242.00	(891.96)	56,484.00	48.42%	(29,133.96)
60-36-05	WATER TANK MONEY	1,334.00	842.00	-	-	2,178.00	2,700.00	(522.00)	5,400.00	40.33%	(3,222.00)
60-36-09	PENALTIES	-	-	-	-	-	500.00	(500.00)	1,000.00	0.00%	(1,000.00)
60-36-12	RENTS	-	-	-	-	-	500.00	(500.00)	1,000.00	0.00%	(1,000.00)
60-36-30	GRANT FUNDS	184,616.40	-	-	885.00	185,501.40	-	185,501.40	-	-	185,501.40
		279,203.32	92,502.45	92,662.59	73,700.11	698,228.10	630,939.00	67,289.10	1,261,878.00	55.33%	(749,151.30)
60-50-02	TRUSTEES/ADMIN SALARIES	300.00	-	-	300.00	600.00	-	(600.00)	-	-	600.00
60-50-03	SALARIES & WAGES	11,276.59	10,721.30	16,002.28	10,708.67	69,386.88	71,758.85	2,371.96	143,517.69	48.35%	(74,130.81)
60-50-04	EMPLOYER FICA	680.98	627.93	936.95	645.76	4,115.65	4,152.96	37.31	8,305.92	49.55%	(4,190.27)
60-50-05	EMPLOYER MEDICARE	159.27	146.84	219.11	151.03	962.53	1,030.52	67.99	2,061.04	46.70%	(1,098.51)
60-50-06	UNEMPLOYMENT TAX	33.84	32.17	48.00	32.11	207.58	211.41	3.83	422.82	49.09%	(215.24)
60-50-07	INSURANCE BENEFITS	2,421.74	2,421.69	4,820.50	2,421.75	14,526.32	23,645.77	9,119.45	47,291.53	30.72%	(32,765.21)
60-50-08	PENSION BENEFITS	482.56	481.81	781.93	452.22	3,043.76	-	(3,043.76)	-	-	3,043.76
60-50-10	WORKMENS COMPENSATION	-	-	-	-	3,068.18	1,610.00	(1,458.18)	3,220.00	95.29%	(151.82)
60-50-15	OFFICE SUPPLIES	53.12	11.19	-	-	64.31	160.00	95.69	320.00	20.10%	(255.69)
60-50-16	OPERATING SUPPLIES	255.45	2,343.66	791.64	3,061.70	7,712.89	5,475.00	(2,237.89)	10,950.00	70.44%	(3,237.11)
60-50-17	POSTAGE	211.06	1,159.70	947.08	844.40	3,420.63	1,962.50	(1,458.13)	3,925.00	87.15%	(504.37)
60-50-20	LEGAL & ENG SERVICES	-	-	-	-	-	250.00	250.00	500.00	0.00%	(500.00)
60-50-21	AUDIT	-	-	-	-	-	5,500.00	5,500.00	11,000.00	0.00%	(11,000.00)
60-50-22	REPAIRS & MAINTENANCE	7,964.71	260.62	4,296.30	7,184.56	29,966.44	97,328.00	67,361.56	194,656.00	15.39%	(164,689.56)
60-50-23	VEHICLE EXPENSE	1,843.04	745.65	1,694.88	1,050.42	7,020.66	3,109.50	(3,911.16)	6,219.00	112.89%	801.66
60-50-25	SHOP EXPENSE	1,920.37	530.74	432.40	363.26	3,338.78	1,652.50	(1,686.28)	3,305.00	101.02%	33.78
60-50-26	TRAVEL & MEETINGS	207.35	450.00	-	12.50	669.85	978.50	308.65	1,957.00	34.23%	(1,287.15)
60-50-27	INSURANCE & BONDS	18.75	144.92	-	80.00	23,901.24	11,754.00	(12,147.24)	23,508.00	101.67%	393.24
60-50-28	UTILITIES	2,124.90	2,861.19	2,935.42	2,885.90	15,069.85	13,662.50	(1,407.35)	27,325.00	55.15%	(12,255.15)
60-50-29	TELEPHONE	423.71	423.71	423.71	424.04	2,566.38	2,100.00	(466.38)	4,200.00	61.10%	(1,633.62)
60-50-30	PUBLISHING & ADS	-	-	-	123.22	141.82	89.50	(52.32)	179.00	79.23%	(37.18)
60-50-31	DUES & SUBSCRIPTIONS	5,130.00	780.00	8,690.00	1,710.00	16,447.50	927.50	(15,520.00)	1,855.00	886.66%	14,592.50
60-50-32	FEES & PERMITS	124.88	1,078.47	3,573.10	30.36	13,360.54	5,830.50	(7,530.04)	11,661.00	114.57%	1,699.54
60-50-33	DATA PROCESSING	414.96	723.98	723.98	723.98	5,673.72	6,828.00	1,154.28	13,656.00	41.55%	(7,982.28)
60-50-41	WRITEOFF-UNCOLLECTABLE	-	-	-	-	-	100.00	100.00	200.00	0.00%	(200.00)
60-50-42	CONTRACT SERVICES	750.00	-	-	-	1,050.00	-	(1,050.00)	-	-	1,050.00
60-50-44	Norris Retirement	1,680.00	1,680.00	1,680.00	1,680.00	10,080.00	10,080.00	-	20,160.00	50.00%	(10,080.00)
60-50-50	Water Power Authority Loan	-	-	-	-	86,918.95	95,611.00	8,692.05	191,222.00	45.45%	(104,303.05)
60-50-51	Drinking Water Revolving Fund	-	-	11,671.70	-	11,671.70	12,027.00	355.30	24,054.00	48.52%	(12,382.30)
	UBB Line of Credit	-	-	-	-	-	5.00	5.00	10.00	0.00%	(10.00)
60-50-70	CAPITAL OUTLAY	-	6,100.00	-	-	6,100.00	75,000.00	68,900.00	150,000.00	4.07%	(143,900.00)
60-50-71	PASS-THRU	2,758.59	2,706.31	2,732.56	2,156.70	15,098.89	18,749.50	3,650.61	37,499.00	40.26%	(22,400.11)
60-50-75	GRANT PROJECTS	-	4,825.00	5,115.00	3,940.00	19,577.50	-	(19,577.50)	-	-	19,577.50
60-59-90	DEPRECIATION	-	-	-	-	-	159,349.00	159,349.00	318,698.00	0.00%	(318,698.00)
		41,235.87	41,256.88	68,516.54	40,982.58	375,762.55	630,939.00	255,176.45	1,261,878.00	29.78%	(886,115.45)
		237,967.45	51,245.57	24,146.05	32,717.53	322,465.55	-	(322,465.55)	-	-	(322,465.55)
	BEGINNING RESERVE					341,600.00	341,600.00	-	-	-	-
	INCOME	279,203.32	92,502.45	92,662.59	73,700.11	698,228.10	630,939.00	67,289.10	1,261,878.00	-	(749,151.30)
	EXPENDITURE	41,235.87	41,256.88	68,516.54	40,982.58	375,762.55	630,939.00	255,176.45	1,261,878.00	-	(886,115.45)
	NET CHANGE	237,967.45	51,245.57	24,146.05	32,717.53	322,465.55	-	322,465.55	-	-	136,964.15
	ENDING RESERVE					664,065.55	341,600.00	322,465.55	-	-	136,964.15
	25% MIN RESERVE					93,940.64					
	25 % OPERATION/MAINT RESERVE (\$1.25 MIL CAP)					93,940.64					
	110% REQUIREMENT					245,500.00					
	NET AVAILABLE RESERVE					230,684.28					
<b>GRANT/PROJECT</b>											
65-32-02	FUND TRANSFER					-	-	-	-	-	-
						-	-	-	-	-	-
65-50-20	CAPITAL OUTLAY					-	-	-	-	-	-
65-59-99	Transfers					-	-	-	-	-	-
						-	-	-	-	-	-
						-	-	-	-	-	-
	BEGINNING RESERVE					-	-	-	-	-	-
	INCOME					-	-	-	-	-	-
	EXPENDITURE					-	-	-	-	-	-
	NET CHANGE					-	-	-	-	-	-

DRAFT		THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6		2021	50%	
AS OF:	6/30/2021	JUNE	MAY	APRIL	MARCH	CUR YTD	MO BUDGET	REMAINING	ORIG	% OF	REMAINING
ACCT NO	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>SEWER</b>											
70-37-01	SEWER CHARGES - RECEIVED	44,357.90	44,207.19	44,141.94	44,182.07	265,520.11	268,998.00	(3,477.89)	537,996.00	49.35%	(272,475.89)
70-37-04	SEWER TAPS	500.00	500.00	500.00	500.00	3,000.00	7,500.00	(4,500.00)	15,000.00	20.00%	(12,000.00)
70-37-09	Interest Income	33.01	43.42	42.04	47.49	288.69	2,300.00	(2,011.31)	4,600.00	6.28%	(4,311.31)
		44,890.91	44,750.61	44,683.98	44,729.56	268,808.80	278,798.00	(9,989.20)	557,596.00	48.21%	(288,787.20)
70-51-02	TRUSTEES/ADMIN SALARIES	300.00	-	-	300.00	600.00	-	(600.00)	-		600.00
70-51-03	SALARIES & WAGES	9,546.63	9,064.47	13,523.24	9,058.20	58,652.07	60,893.13	2,241.06	121,786.26	48.16%	(63,134.19)
70-51-04	EMPLOYER FICA	580.30	531.81	793.15	550.03	3,489.98	3,573.45	83.46	7,146.89	48.83%	(3,656.91)
70-51-05	EMPLOYER MEDICARE	135.69	124.37	185.50	128.61	816.16	875.24	59.07	1,750.47	46.63%	(934.31)
70-51-06	UNEMPLOYMENT TAX	28.63	27.18	40.55	27.16	175.34	179.29	3.94	358.57	48.90%	(183.23)
70-51-07	INSURANCE BENEFITS	2,017.60	2,017.55	4,016.39	2,017.57	12,101.76	20,110.91	8,009.15	40,221.81	30.09%	(28,120.05)
70-51-08	PENSION BENEFITS	407.15	406.50	661.55	380.60	2,565.22	-	(2,565.22)	-		2,565.22
70-51-10	WORKMENS COMPENSATION	-	-	-	-	902.01	473.50	(428.51)	947.00	95.25%	(44.99)
70-51-15	OFFICE SUPPLIES	-	-	-	-	-	83.00	83.00	166.00	0.00%	(166.00)
70-51-16	OPERATING SUPPLIES	23.42	5,440.37	563.66	2,772.18	9,752.56	4,431.50	(5,321.06)	8,863.00	110.04%	889.56
70-51-17	POSTAGE	242.10	461.45	163.59	362.65	1,390.28	1,125.00	(265.28)	2,250.00	61.79%	(859.72)
70-51-21	AUDIT	-	-	-	-	-	2,250.00	2,250.00	4,500.00	0.00%	(4,500.00)
70-51-22	REPAIRS & MAINTENANCE	3,959.73	4,153.84	5,826.19	2,804.89	18,452.30	24,431.00	5,978.70	48,862.00	37.76%	(30,409.70)
70-51-23	VEHICLE EXPENSE	1,132.48	745.68	2,062.34	1,050.01	7,015.36	3,198.50	(3,816.86)	6,397.00	109.67%	618.36
70-51-25	SHOP EXPENSE	1,908.24	334.68	171.75	376.30	2,858.02	1,587.00	(1,271.02)	3,174.00	90.04%	(315.98)
70-51-26	TRAVEL & MEETINGS	107.39	-	-	12.50	119.89	1,153.50	1,033.61	2,307.00	5.20%	(2,187.11)
70-51-27	INSURANCE & BONDS	18.75	44.93	-	-	8,722.57	4,408.00	(4,314.57)	8,816.00	98.94%	(93.43)
70-51-28	UTILITIES	47.15	2,997.59	3,171.26	2,112.91	13,257.39	17,575.50	4,318.11	35,151.00	37.72%	(21,893.61)
70-51-29	TELEPHONE	160.13	160.13	401.38	80.55	984.50	840.50	(144.00)	1,681.00	58.57%	(696.50)
70-51-30	PUBLISHING & ADS	-	-	-	20.00	38.60	-	(38.60)	-		38.60
70-51-31	DUES & SUBSCRIPTIONS	-	421.40	-	-	558.90	219.00	(339.90)	438.00	127.60%	120.90
70-51-32	FEES & PERMITS	608.95	590.74	191.05	1,545.39	3,082.30	3,659.50	577.20	7,319.00	42.11%	(4,236.70)
70-51-33	DATA PROCESSING	414.96	724.02	724.02	724.02	5,673.94	9,513.50	3,839.56	19,027.00	29.82%	(13,353.06)
70-51-41	WRITEOFF-UNCOLLECTABLE	-	-	-	-	-	75.00	75.00	150.00	0.00%	(150.00)
70-51-42	CONTRACT SERVICES	-	-	-	-	300.00	-	(300.00)	-		300.00
70-51-43	Gaging Station	-	-	-	-	1,271.00	2,044.50	773.50	4,089.00	31.08%	(2,818.00)
70-51-51	Rural Development P&I	-	-	-	-	-	53,991.50	53,991.50	107,983.00	0.00%	(107,983.00)
70-51-54	Debt Reserve	-	-	-	74,750.00	74,750.00	-	(74,750.00)	-		74,750.00
70-51-71	PASS THRU	1,330.74	1,326.22	1,324.26	1,325.46	7,965.61	8,295.00	329.39	16,590.00	48.01%	(8,624.39)
70-59-90	DEPRECIATION	-	-	-	-	-	53,811.00	53,811.00	107,622.00	0.00%	(107,622.00)
		22,970.04	29,572.93	33,819.88	100,399.03	235,495.76	278,798.00	43,302.24	557,596.00	42.23%	(322,100.24)
		21,920.87	15,177.68	10,864.10	(55,669.47)	33,313.04	-	33,313.04	-		33,313.04
	BEGINNING RESERVE					587,520.00	587,520.00	587,520.00	587,520.00		587,520.00
	INCOME	44,890.91	44,750.61	44,683.98	44,729.56	268,808.80	278,798.00	(9,989.20)	557,596.00		(288,787.20)
	EXPENDITURE	22,970.04	29,572.93	33,819.88	100,399.03	235,495.76	278,798.00	43,302.24	557,596.00		(322,100.24)
	NET CHANGE	21,920.87	15,177.68	10,864.10	(55,669.47)	33,313.04	-	33,313.04	-		33,313.04
	ENDING RESERVE					620,833.04	587,520.00	620,833.04	587,520.00		620,833.04
	25% MIN RESERVE					58,873.94					
	PROPERTY RESERVE					530,418.33					
	NET AVAILABLE RESERVE					31,540.77					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE	MAY	APRIL	MARCH	CUR YTD			MO BUDGET	BUDGET	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL					BUDGET
<b>GARBAGE</b>											
80-30-02	GARBAGE FEES - RECEIVED	21,085.25	21,015.21	21,041.97	21,092.94	126,556.49	128,886.00	(2,329.51)	257,772.00	49.10%	(131,215.51)
80-30-03	X-Trash	881.02	2,422.00	-	-	4,186.02	650.00	3,536.02	1,300.00	322.00%	2,886.02
		21,966.27	23,437.21	21,041.97	21,092.94	130,742.51	129,536.00	1,206.51	259,072.00	50.47%	(128,329.49)
80-52-02	CONTRACT LABOR	-	-	-	-	-	-	-	-	-	-
80-52-03	SALARIES & WAGES	9,544.91	9,284.75	13,572.56	8,833.55	59,469.61	59,183.61	(286.00)	118,367.21	50.24%	(58,897.60)
80-52-04	EMPLOYER FICA	568.58	552.46	806.74	524.46	3,540.99	3,622.81	81.82	7,245.62	48.87%	(3,704.63)
80-52-05	EMPLOYER MEDICARE	132.97	129.19	188.63	122.63	827.95	847.27	19.32	1,694.54	48.86%	(866.59)
80-52-06	UNEMPLOYMENT TAX	28.62	27.83	40.68	26.48	176.70	175.30	(1.41)	350.59	50.40%	(173.89)
80-52-07	INSURANCE BENEFITS	1,977.44	1,977.42	3,940.86	1,977.43	11,863.53	13,017.31	1,153.78	26,034.61	45.57%	(14,171.08)
80-52-08	PENSION BENEFITS	424.41	424.23	651.13	416.82	2,736.12	4,367.72	1,631.60	8,735.43	31.32%	(5,999.31)
80-52-10	WORKMEN'S COMP	-	-	-	-	5,772.32	6,057.00	284.68	6,057.00	95.30%	(284.68)
80-52-15	OFFICE SUPPLIES	-	-	-	-	-	101.00	101.00	202.00	0.00%	(202.00)
80-52-16	OPERATING SUPPLIES	69.80	55.47	65.34	86.04	328.00	572.50	244.50	1,145.00	28.65%	(817.00)
80-52-17	POSTAGE	128.04	379.73	81.79	280.82	950.63	438.00	(512.63)	876.00	108.52%	74.63
80-52-21	AUDIT	-	-	-	-	-	2,250.00	2,250.00	4,500.00	0.00%	(4,500.00)
80-52-22	REPAIRS & MAINTENANCE	-	-	-	-	-	53.00	53.00	106.00	0.00%	(106.00)
80-52-23	VEHICLE EXPENSE	3,590.96	536.14	688.88	630.68	6,163.89	3,964.50	(2,199.39)	7,929.00	77.74%	(1,765.11)
80-52-25	SHOP EXPENSE	-	184.36	277.22	109.53	672.62	340.50	(332.12)	681.00	98.77%	(8.38)
80-52-26	TRAVEL & MEETINGS	-	-	-	-	-	260.00	260.00	520.00	0.00%	(520.00)
80-52-27	INSURANCE & BONDS	18.75	44.93	-	-	5,772.03	4,985.00	(787.03)	4,985.00	115.79%	787.03
80-52-28	UTILITIES	1,053.21	309.12	212.70	154.49	2,437.23	788.00	(1,649.23)	1,576.00	154.65%	861.23
80-52-29	TELEPHONE	97.56	98.16	33.76	66.56	385.96	271.50	(114.46)	543.00	71.08%	(157.04)
80-52-30	PUBLISHING & ADS	-	-	-	20.00	38.60	17.50	(21.10)	35.00	110.29%	3.60
80-52-33	DATA PROCESSING	138.32	138.32	138.32	138.32	1,385.54	1,086.00	(299.54)	2,172.00	63.79%	(786.46)
80-52-41	WRITEOFF-UNCOLLECTABLE	-	-	-	-	-	135.00	135.00	270.00	0.00%	(270.00)
80-52-42	LANDFILL FEES	4,604.50	3,186.50	3,469.25	2,553.00	16,316.25	18,934.00	2,617.75	37,868.00	43.09%	(21,551.75)
80-52-43	Clean Up Day	-	-	-	2,100.00	2,100.00	900.00	(1,200.00)	1,800.00	116.67%	300.00
80-52-71	PASS THRU	632.56	630.46	631.26	632.79	3,796.70	3,866.50	69.80	7,733.00	49.10%	(3,936.30)
	DEPRICIATION	-	-	-	-	-	8,823.00	8,823.00	17,646.00	0.00%	(17,646.00)
		23,010.63	17,959.07	24,799.12	18,673.60	124,734.67	135,057.00	10,322.33	259,072.00	48.15%	(134,337.33)
		(1,044.36)	5,478.14	(3,757.15)	2,419.34	6,007.84	(5,521.00)	11,528.84	-	-	6,007.84
	BEGINNING RESERVE					130,368.00	130,368.00	130,368.00	130,368.00		130,368.00
	INCOME	21,966.27	23,437.21	21,041.97	21,092.94	130,742.51	129,536.00	1,206.51	259,072.00		(128,329.49)
	EXPENDITURE	23,010.63	17,959.07	24,799.12	18,673.60	124,734.67	135,057.00	10,322.33	259,072.00		(134,337.33)
	NET CHANGE	(1,044.36)	5,478.14	(3,757.15)	2,419.34	6,007.84	(5,521.00)	11,528.84	-		6,007.84
	ENDING RESERVE					136,375.84	124,847.00	141,896.84	130,368.00		136,375.84
	50% MIN RESERVE					129,536.00					
	NET AVAILABLE RESERVE					6,839.84					

DRAFT		THESE NUMBERS ARE SUBJECT TO CHANGE				2021			2021	50%	
AS OF:	6/30/2021	JUNE	MAY	APRIL	MARCH	CUR YTD	6	REMAINING	ORIG	% OF	REMAINING
ACCT NO	DESCRIPTION	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MO BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>OVERALL SUMMARY</b>											
	ADMINISTRATION	40,486.37	10,210.73	33,470.86	20,079.41	157,151.48	139,702.15	17,449.33	158,708.00		(1,556.52)
	BUILDING	4,374.10	3,343.55	3,255.20	2,773.50	15,041.55	15,597.00	(555.45)	31,194.00		(16,152.45)
	LAW ENFORCEMENT	57,850.05	60,094.53	46,368.98	45,046.38	256,387.27	261,941.00	(5,553.73)	523,882.00		(267,494.73)
	PARKS	20,512.98	320.00	385.00	14,385.08	62,706.70	91,824.44	(29,117.74)	183,648.88		(120,942.18)
	STREETS	9,525.23	34,879.62	23,840.59	13,008.74	96,419.39	108,149.00	(11,729.61)	216,298.00		(120,378.61)
	STREET CAPITAL IMPROVEMENT	4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	157,500.00	(130,638.80)	315,000.00		(288,138.80)
	BRIDGE	19.46	28.69	27.81	32.41	199.89	23,500.00	(23,300.11)	47,000.00		(46,800.11)
	SIDEWALK	2,601.47	2,618.23	2,565.46	2,387.43	15,376.14	15,517.00	(140.86)	31,034.00		(15,657.86)
	SPACE2CREATE	1.62	1.68	1.62	1.68	9.80	6,596.79	(6,586.99)	13,193.57		(13,183.77)
	CONSERVATION TRUST FUND	2,626.22	1.32	1.24	2,082.02	4,712.82	6,916.34	(2,203.52)	13,832.67		(9,119.85)
	CAPITAL IMPROVEMENT	19,335.48	19,973.07	16,030.73	16,530.09	94,402.92	243,263.25	(148,860.33)	486,526.49		(392,123.57)
		162,054.87	136,134.41	130,635.57	120,441.69	729,269.16	1,070,506.96	(341,237.80)	2,020,317.61	-	(1,291,548.45)
	WATER	279,203.32	92,502.45	92,662.59	73,700.11	698,228.10	630,939.00	67,289.10	1,261,878.00		(749,151.30)
	SEWER	44,890.91	44,750.61	44,683.98	44,729.56	268,808.80	278,798.00	(9,989.20)	557,596.00		(288,787.20)
	GARBAGE	21,966.27	23,437.21	21,041.97	21,092.94	130,742.51	129,536.00	1,206.51	259,072.00		(128,329.49)
		346,060.50	160,690.27	158,388.54	139,522.61	1,097,779.41	1,039,273.00	58,506.41	2,078,546.00	-	(1,166,267.99)
	<b>TOTAL REVENUE</b>	<b>508,115.37</b>	<b>296,824.68</b>	<b>289,024.11</b>	<b>259,964.30</b>	<b>1,827,048.57</b>	<b>2,109,779.96</b>	<b>(282,731.39)</b>	<b>4,098,863.61</b>	<b>-</b>	<b>(2,457,816.44)</b>
	ADMINISTRATION	19,691.21	15,923.96	32,138.60	22,373.21	118,993.68	79,354.00	(39,639.68)	158,708.00		(39,714.32)
	BUILDING	7,280.53	5,515.74	297.94	332.68	15,567.36	15,597.00	29.64	31,194.00		(15,626.64)
	LAW ENFORCEMENT	32,694.82	33,679.06	50,324.89	36,680.75	254,398.22	266,741.00	(12,342.78)	533,482.00		(279,083.78)
	PARKS	11,652.73	9,068.13	28,387.46	5,263.74	80,071.56	91,824.44	(11,752.88)	183,648.88		(103,577.32)
	STREETS	9,534.28	8,212.89	12,340.14	10,431.78	61,400.50	108,149.00	(46,748.50)	216,298.00		(154,897.50)
	STREET CAPITAL IMPROVEMENT	-	-	-	-	-	157,500.00	157,500.00	315,000.00		(315,000.00)
	BRIDGE	-	-	-	-	-	25,000.00	25,000.00	50,000.00		(50,000.00)
	SIDEWALK	555.00	-	-	-	555.00	15,517.00	(14,962.00)	31,034.00		(30,479.00)
	SPACE2CREATE	-	-	159.50	-	1,409.50	6,596.79	5,187.29	13,193.57		(11,784.07)
	CONSERVATION TRUST FUND	-	-	-	-	-	6,916.34	6,916.34	13,832.67		(13,832.67)
	CAPITAL IMPROVEMENT	3,689.00	8,850.67	3,558.45	7,256.80	53,238.37	243,263.25	190,024.88	486,526.49		(433,288.12)
		85,097.57	81,250.45	127,206.98	82,338.96	585,634.19	1,016,458.81	430,824.62	2,032,917.61	-	(1,447,283.42)
	WATER	41,235.87	41,256.88	68,516.54	40,982.58	375,762.55	630,939.00	255,176.45	1,261,878.00		(886,115.45)
	SEWER	22,970.04	29,572.93	33,819.88	100,399.03	235,495.76	278,798.00	43,302.24	557,596.00		(322,100.24)
	GARBAGE	23,010.63	17,959.07	24,799.12	18,673.60	124,734.67	135,057.00	10,322.33	259,072.00		(134,337.33)
		87,216.54	88,788.88	127,135.54	160,055.21	735,992.98	1,044,794.00	308,801.02	2,078,546.00	-	(1,342,553.02)
	<b>TOTAL EXPENDITURES</b>	<b>172,314.11</b>	<b>170,039.33</b>	<b>254,342.52</b>	<b>242,394.17</b>	<b>1,321,627.17</b>	<b>2,061,252.81</b>	<b>739,625.64</b>	<b>4,111,463.61</b>	<b>-</b>	<b>(2,789,836.44)</b>
	ADMINISTRATION	20,795.16	(5,713.23)	1,332.26	(2,293.80)	38,157.80	60,348.15	57,089.01	-		38,157.80
	BUILDING	(2,906.43)	(2,172.19)	2,957.26	2,440.82	(525.81)	-	(585.09)	-		(525.81)
	LAW ENFORCEMENT	25,155.23	26,415.47	(3,955.91)	8,365.63	1,989.05	(4,800.00)	(17,896.51)	(9,600.00)		11,589.05
	PARKS	8,860.25	(8,748.13)	(28,002.46)	9,121.34	(17,364.86)	-	(40,870.62)	-		(17,364.86)
	STREETS	(9.05)	26,666.73	11,500.45	2,576.96	35,018.89	-	(58,478.11)	-		34,518.89
	STREET CAPITAL IMPROVEMENT	4,721.89	4,662.99	4,688.08	4,114.95	26,861.20	-	(288,138.80)	-		26,861.20
	BRIDGE	19.46	28.69	27.81	32.41	199.89	(1,500.00)	(48,300.11)	(3,000.00)		3,199.89
	GENERAL FUND	56,636.51	41,140.33	(11,452.51)	24,358.31	84,336.16	54,048.15	(397,180.23)	(12,600.00)		96,436.16
	SIDEWALK	(2,046.47)	2,618.23	2,565.46	2,387.43	14,821.14	-	(15,102.86)	-		14,821.14
	SPACE2CREATE	1.62	1.68	(157.88)	1.68	(1,399.70)	-	(11,774.27)	-		(1,399.70)
	CONSERVATION TRUST FUND	2,626.22	1.32	1.24	2,082.02	4,712.82	-	(9,119.85)	-		4,712.82
	CAPITAL IMPROVEMENT	15,646.48	11,122.40	12,472.28	9,273.29	41,164.55	-	(338,885.20)	-		41,164.55
		76,957.30	54,883.96	3,428.59	38,102.73	143,634.97	54,048.15	(772,062.41)	(12,600.00)	-	155,734.97
	WATER	237,967.45	51,245.57	24,146.05	32,717.53	322,465.55	-	(187,887.35)	-		136,964.15
	SEWER	21,920.87	15,177.68	10,864.10	(55,669.47)	33,313.04	-	(53,291.44)	-		33,313.04
	GARBAGE	(1,044.36)	5,478.14	(3,757.15)	2,419.34	6,007.84	(5,521.00)	(9,115.82)	-		6,007.84
	ENTERPRISE FUND	258,843.96	71,901.39	31,253.00	(20,532.60)	361,786.43	(5,521.00)	(250,294.61)	-		176,285.03
	<b>NET</b>	<b>335,801.26</b>	<b>126,785.35</b>	<b>34,681.59</b>	<b>17,570.13</b>	<b>505,421.40</b>	<b>48,527.15</b>	<b>(1,022,357.02)</b>	<b>(12,600.00)</b>	<b>-</b>	<b>332,020.00</b>

## ACCOUNT ANALYSIS 2021

BANK	ACCOUNT		JAN	FEB	MAR	APR	MAY	JUNE	JULY	X
<b>OPERATING ACCOUNTS</b>										
UBB (FSBC)		PREV BAL	113,781.20	(5,797.86)	186,337.95	266,653.35	115,960.98	219,935.38	157,400.68	
OPS - 0733		CKS/DR	389,227.23	118,908.84	250,968.80	408,873.15	200,361.23	564,298.94	296,420.99	
		DEP/CR	269,648.17	311,044.65	331,284.20	258,180.78	304,335.63	501,764.24	348,289.76	
		END BAL	(5,797.86)	186,337.95	266,653.35	115,960.98	219,935.38	157,400.68	209,269.45	X
		RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
UBB (FSBC)		PREV BAL	25.00	25.00	25.00	25.00	25.00	25.00	22,085.80	
PAYROLL - 3629		CKS/DR	44,780.38	43,477.05	47,988.97	46,575.08	47,079.11	48,224.44	69,121.53	
		DEP/CR	44,780.38	43,477.05	47,988.97	46,575.08	47,079.11	70,285.24	47,060.73	
		END BAL	25.00	25.00	25.00	25.00	25.00	22,085.80	25.00	X
		RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>RESESTRICTED FUND ACCOUNTS</b>										
UBB (FSBC)-3858		PREV BAL	25.00	25.00	25.00	25.00	25.00	25.00	25.00	
GRANT		CKS/DR	-	-	-	-	-	-	-	
PASS-THRU		DEP/CR	-	-	-	-	-	-	-	
		END BAL	25.00	25.00	25.00	25.00	25.00	25.00	25.00	X
		RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
UBB (FSBC) (FCNB)		PREV BAL	69,792.78	33,521.84	25.00	25.00	25.00	25.00	25.00	
INTERNAL - 0571		CKS/DR	36,270.94	33,496.84	-	-	-	-	-	
GRANTS		DEP/CR	-	-	-	-	-	-	72,936.95	
		END BAL	33,521.84	25.00	25.00	25.00	25.00	25.00	72,961.95	X
		RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
UBB (FSBC) - 0911		PREV BAL	37,490.27	37,490.27	37,490.27	11,655.11	11,930.11	11,930.11	12,255.11	
PARK		CKS/DR	-	-	25,835.16	-	-	-	-	
CONTRIBUTION		DEP/CR	-	-	-	275.00	-	325.00	-	
		INT/CR	-	-	-	-	-	-	-	
		END BAL	37,490.27	37,490.27	11,655.11	11,930.11	11,930.11	12,255.11	12,255.11	X
		RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
UBB (FSBC) - 2318		PREV BAL	58,336.72	58,349.11	58,360.30	58,372.69	58,384.68	58,397.08	58,409.08	
WWTP		CKS/DR	-	-	-	-	-	-	-	
		DEP/CR	-	-	-	-	-	-	-	
		INT/CR	12.39	11.19	12.39	11.99	12.40	12.00	12.40	
		END BAL	58,349.11	58,360.30	58,372.69	58,384.68	58,397.08	58,409.08	58,421.48	X
		RATE	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	
UBB (FSBC) (FCNB)		PREV BAL	8,311.23	8,312.29	8,313.25	8,314.31	10,396.51	10,397.83	10,399.11	
CONSERV		CKS/DR	-	-	-	-	-	-	-	
TRUST 0857		DEP/CR	-	-	-	2,080.96	-	-	-	
		INT/CR	1.06	0.96	1.06	1.24	1.32	1.28	1.32	
		END BAL	8,312.29	8,313.25	8,314.31	10,396.51	10,397.83	10,399.11	10,400.43	X
		RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	
UBB (FSBC) - 0563		PREV BAL	13,165.24	13,166.92	13,168.44	13,170.12	13,171.74	13,173.42	13,175.04	
SPACE TO		CKS/DR	-	-	-	-	-	-	-	
CREATE		DEP/CR	-	-	-	-	-	-	-	
		INT/CR	1.68	1.52	1.68	1.62	1.68	1.62	1.68	
		END BAL	13,166.92	13,168.44	13,170.12	13,171.74	13,173.42	13,175.04	13,176.72	X
		RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	

## ACCOUNT ANALYSIS 2021

BANK	ACCOUNT	JAN	FEB	MAR	APR	MAY	JUNE	JULY	X
<b>INVESTMENT ACCOUNTS</b>									
UBB (FSBC) - 3637	PREV BAL	335,136.20	335,221.59	275,309.31	253,211.73	453,315.26	503,441.04	863,213.17	
MMKT	CKS/DR	-	93,477.05	22,163.36	-	-	-	-	
RESERVE	DEP/CR	-	33,496.84	-	200,000.00	50,000.00	359,616.40	-	
	INT/CR	85.39	67.93	65.78	103.53	125.78	155.73	219.94	
	END BAL	335,221.59	275,309.31	253,211.73	453,315.26	503,441.04	863,213.17	863,433.11	X
	<b>AVG RATE</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.300%</b>	<b>0.300%</b>	<b>0.300%</b>	<b>0.300%</b>	<b>0.300%</b>	<b>0.300%</b>
COLO	PREV BAL	1,757,660.74	1,757,818.17	1,757,934.19	1,758,031.00	1,758,113.95	1,758,199.56	1,758,257.58	
TRUST	CKS/DR	-	-	-	-	-	-	-	
PLUS+	DEP/CR	-	-	-	-	-	-	-	
INVESTMENT	INT/CR	157.43	116.02	96.81	82.95	85.61	58.02	48.77	
	END BAL	1,757,818.17	1,757,934.19	1,758,031.00	1,758,113.95	1,758,199.56	1,758,257.58	1,758,306.35	
	<b>AVG RATE</b>	<b>0.11%</b>	<b>0.09%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.04%</b>	<b>0.03%</b>	<b>X</b>
UBB (14) (FSBC)	PREV BAL	202,226.89	202,226.89	202,226.89	202,500.76	202,500.76	202,500.76	202,780.73	
18MO	CKS/DR	-	-	-	-	-	-	-	
CD-2143	DEP/CR	-	-	-	-	-	-	-	
	INT/CR	-	-	273.87	-	-	279.97	-	
	END BAL	202,226.89	202,226.89	202,500.76	202,500.76	202,500.76	202,780.73	202,780.73	X
	<b>AVG RATE</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>X</b>
UBB (31) (FSBC)	PREV BAL	255,051.53	255,051.53	255,051.53	255,051.53	255,051.53	255,051.53	255,051.53	
18MO	CKS/DR	-	-	-	-	-	-	-	
CD-2143	DEP/CR	-	-	-	-	-	-	-	
	INT/CR	-	-	-	-	-	-	4,759.58	
	END BAL	255,051.53	255,051.53	255,051.53	255,051.53	255,051.53	255,051.53	259,811.11	X
	<b>AVG RATE</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>X</b>
<b>LINE-OF-CREDIT</b>									
UBB (FSBC)	PREV BAL	-	-	-	-	-	-	-	
LOC	CKS/DR	-	-	-	-	-	-	-	
\$200,000.00	DEP/CR	-	-	-	-	-	-	-	
	INT/CR	-	-	-	-	-	-	-	
	END BAL	-	-	-	-	-	-	-	X
	<b>AVG RATE</b>								
	TOTAL PREV BAL	2,851,002.80	2,695,410.75	2,794,267.13	2,827,035.60	2,878,900.52	3,033,101.71	3,353,077.83	
	TOTAL CKS/DR	470,278.55	289,359.78	346,956.29	455,448.23	247,440.34	612,523.38	365,542.52	
	TOTAL DEP/CR	314,428.55	388,018.54	379,273.17	507,111.82	401,414.74	931,990.88	468,287.44	
	TOTAL INT/CR	257.95	197.62	451.59	201.33	226.79	508.62	5,043.69	
	TOTAL 2021 ACCOUNTS	2,695,410.75	2,794,267.13	2,827,035.60	2,878,900.52	3,033,101.71	3,353,077.83	3,460,866.44	
	TOTAL 2020 ACCOUNTS	2,498,095.32	2,507,992.28	2,530,243.83	4,222,013.58	2,766,714.22	2,844,095.58	2,838,734.18	
	TOTAL 2019 ACCOUNTS	1,952,778.56	2,154,496.81	2,216,740.65	2,268,526.46	2,560,627.61	2,606,146.61	2,665,999.92	
	TOTAL 2018 ACCOUNTS	2,243,850.59	2,643,430.19	2,609,936.21	2,758,682.91	2,787,133.34	2,909,775.06	2,883,634.79	
	TOTAL 2017 ACCOUNTS	1,916,629.29	1,856,495.51	1,837,973.49	2,027,530.45	2,363,845.59	2,079,469.54	2,015,506.17	
	TOTAL 2016 ACCOUNTS	987,595.88	1,322,980.68	1,116,198.52	1,523,989.77	1,917,756.35	1,967,252.20	1,874,857.87	
	TOTAL 2015 ACCOUNTS	1,653,400.33	1,907,317.22	2,079,530.21	2,000,000.74	1,759,581.96	1,718,267.39	1,593,788.44	
	TOTAL 2014 ACCOUNTS	2,036,560.85	2,012,766.27	2,053,803.28	2,046,353.56	2,069,077.88	2,002,370.22	1,956,418.34	
	TOTAL 2013 ACCOUNTS	2,361,290.03	2,369,419.89	2,376,310.46	2,323,916.46	2,320,709.32	2,286,978.98	1,978,090.95	
	TOTAL 2012 ACCOUNTS	2,362,402.55	2,256,299.75	2,246,468.64	2,213,216.49	2,202,233.11	2,152,976.82	2,357,742.26	
	2020 VS 2021	197,315.43	286,274.85	296,791.77	(1,343,113.06)	266,387.49	508,982.25	622,132.26	

AGENDA SUMMARY FORM

	Disbursements		
Summary:			
Notes:			
Possible Motions: Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear:	Trustee Budinger:	Trustee Johnson:
Trustee Knutson:	Trustee Meck:	Trustee Pattison:	Mayor Bachran:

FOR: 08/24/2021

UBB OPS DISBURSEMENT SUMMARY		
DESCRIPTION	DATES	AMOUNT
CURRENT FSBC OPS BALANCE		241,653.78
ACCOUNTS PAYABLE	08/06/21-08/19/21	(47,769.92)
LOAN PAYMENT	PAONIACO2020A BOND PAYMENT	(24,000.00)
NORRIS RETIREMENT PAYMENT	SCHEDULED FOR 8/26/21 - APPROVED 08/10/21	(1,680.00)
CHASE CREDIT CARD	APPROVED 08/10/21	(1,544.71)
AMAZON	APPROVED 08/10/21	(90.14)
TRANSFER TO SUMMIT		(75,000.00)
TRANSFER TO SUMMIT		
TRANSFER TO PAYROLL	8/13/2021	(23,231.49)
PAYROLL TAXES	8/13/2021	(10,136.15)
BALANCE AFTER PAYMENT		58,201.37

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UBB SUMMIT/PAYROLL DISBURSEMENT SUMMARY		
DESCRIPTION	DATES	AMOUNT
CURRENT FSBC SUMMIT BALANCE		1,036,370.06
TRANSFER FROM OPS		75,000.00
TRANSFER FROM INT. GRANTS		-
CURRENT FSBC PAYROLL BALANCE		25.00
TRANSFER FROM OPS		23,231.49
PAYROLL (DIRECT DEPOSIT)	8/13/2021	(23,231.49)
BALANCE AFTER PAYMENT		1,111,395.06

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UBB INTERNAL GRANT DISBURSEMENT SUMMARY		
DESCRIPTION	DATES	AMOUNT
CURRENT INTERAL GRANT BALANCE		25.00
BALANCE AFTER PAYMENT		25.00

	BANK BALANCES			DESCRIPTION
	FSBC	COLOTRUST	TOTAL	
As of: 06/03/2021				
GENERAL		532,343.45		COMBINED FUNDS
SEWER RESTRICTED		530,433.04		PROPERTY SALE-RESTRICTED
DEBT RESERVE		106,880.25		AMKO BOND REQUIRED RESERVE
BRIDGE RESERVE		588,649.61		BRIDGE RESERVE
CONS.TRUST	10,400.43			RESTRICTED TO PARK USE ONLY
GRANT PASS THRU	25.00			PLACE HOLDER-COMBINED FUNDS
INT GRANT	25.00			MOVING TO CD-AMKO BOND RESERVE
OPS	181,003.97			COMBINED FUNDS
PARK CONTRIBUTIONS	12,255.11			SPECIFIC PARK PROJECTS
PAYROLL	25.00			PLACE HOLDER-COMBINED FUNDS
SPACE-TO-CREATE	13,176.72			SPACE TO CREATE ONLY
SUMMIT	1,036,370.06			COMBINED FUNDS
WWTP	58,421.48			OLD SEWER REHAB ONLY
CD#2-402	202,780.73			COMBINED FUNDS-LOC COLLATERAL
CD#3-2578	259,811.11			COMBINED FUNDS
	1,774,294.61	1,758,306.35	3,532,600.96	

	CASH POSITION			DESCRIPTION
	COMBINED	RESTRICTED	TOTAL	
As of: 06/03/2021				
GENERAL	532,343.45			
SEWER RESTRICTED		530,433.04		RESTRICTED TO SEWER CAPITAL PROJECT
DEBT RESERVE		106,880.25		RESTRICTED LOAN REQUIRMENT
BRIDGE RESERVE		588,649.61		RESTRICTED TO BRIDGE REPAIRS
CONS.TRUST		10,400.43		RESTRICTED TO PARK CAPTIAL PROJECT
GRANT PASS THRU	25.00			
INT GRANT		25.00		RESTRICED LOAN REQUIREMENT
OPS	181,003.97			
PARK CONTRIBUTIONS		12,255.11		SPECIFIC PARK PROJECTS AS DONATED
PAYROLL	25.00			
SPACE-TO-CREATE		13,176.72		SPACE TO CREATE ONLY
SUMMIT	1,036,370.06			
WWTP		58,421.48		OLD SEWER REHAB ONLY
CD#2-402	202,780.73			
CD#3-2578	259,811.11			
	2,212,359.32	1,320,241.64	3,532,600.96	

Due Date	Vendor Number	Vendor Name	Invoice Number	Invoice Amount	Discount Amount	Partial Payments	Net Due Amount	Pay	Partial Pmt Amt	Part Pmt Disc Amt	
08/24/2021	987	Black Hills Energy	08-2021	167.53	.00	.00	167.53	✓			UTILITIES
08/24/2021	21	Caselle, Inc	110945	2,000.00	.00	.00	2,000.00	✓			ADD WORKSTATION
08/24/2021	22	CDPHE	WC22111718	350.00	.00	.00	350.00	✓			PAONIA IMG PERMIT
08/24/2021	1102	Chadwick, Steinkir	62526	24,500.00	.00	.00	24,500.00	✓			AUDIT
08/24/2021	1131	ClearGov Inc	2020-10105	6,870.00	.00	.00	6,870.00	✓			ANNUAL FEE
08/24/2021	952	Colorado Bureau o	A220100116	77.00	.00	.00	77.00	✓			BACK GROUND CHECK
08/24/2021	1183	Column Software	20A000B0-0	79.10	.00	.00	79.10	✓			ORD 2021-05 MJ OCC TAX
08/24/2021	1183	Column Software	7E9282A7-0	184.77	.00	.00	184.77	✓			ORD 2021-06 LIQUOR CODE MODIFICATION
08/24/2021	43	Delta Montrose Ele	08-2021-P	2,157.38	.00	.00	2,157.38	✓			UTILITIES-PARKS
08/24/2021	43	Delta Montrose Ele	08-2021-S	2,808.07	.00	.00	2,808.07	✓			UTILITIES-SEWER
08/24/2021	50	Duckworks Auto P	11044-36763	286.43	.00	.00	286.43	✓			FORD F150 FUEL PUMP
08/24/2021	986	Elevate Fiber	66210_2717	807.14	.00	.00	807.14	✓			TELEPHONE & INTERNET
08/24/2021	620	Kevin Cooper	081721-2019	243.00	.00	.00	243.00	✓			2019 FREIGHTLINER SERVICE
08/24/2021	645	Mail Services, LLC	1800368	410.87	.00	.00	410.87	✓			BLUE POST CARDS
08/24/2021	821	OneTime	31005301-12	73.46	.00	.00	73.46	✓			REFUND OF OVERPAYMENT
08/24/2021	737	Ricoh USA Inc	35423029	127.42	.00	.00	127.42	✓			COPIER CONTRACT
08/24/2021	1170	Shums Coda Asso	14706	1,020.00	.00	.00	1,020.00	✓			BUILDING INSPECTOR-PLAN REVIEWS
08/24/2021	1170	Shums Coda Asso	14707	1,310.00	.00	.00	1,310.00	✓			BUILDING INSPECTOR-INSPECTION SERVICES
08/24/2021	1170	Shums Coda Asso	14708	1,200.00	.00	.00	1,200.00	✓			BUILDING INSPECTOR-CONSULTING SERVICES
08/24/2021	156	TDS Telecom	08-2021	276.75	.00	.00	276.75	✓			TELEPHONE & INTERNET
08/24/2021	897	The Place I Go	TPIG-3672	93.00	.00	.00	93.00	✓			QUARTERLY DOT SCREENING
08/24/2021	588	Wilbur-Ellis Compa	14485682	2,728.00	.00	.00	2,728.00	✓			WATER/SEWER CHEMICALS
Grand Totals:			22	47,769.92	.00	.00	47,769.92	✓			

Cash Requirements Summary

Date	Invoice Amount	Discount Amount	Partial Payments	Net Due Amount	Net Cumulative Amount
08/24/2021	47,769.92	.00	.00	47,769.92	47,769.92
Grand Totals:		47,769.92	.00	.00	47,769.92

Invoice Date: 8/11/2021  
 Invoice Number: 1818631

Funds due on 10/1/2021

Town of Paonia, CO  
 214 Grand Ave  
 Paonia, Colorado 81428

Contact	Phone	Fax	Email
Cindy Jones, Finance Officer	(970)-527-4101		finance@townofpaonia.com
Corinne Ferguson, <del>Interim</del> Administrator	(970)-527-4101		corinne@townofpaonia.com

Account Number: [REDACTED]

**Town of Paonia, Delta County, Colorado Water and Sewer Revenue Refunding Bonds Series 2020A**

**Invoice for Debt Service Payment on 10/1/2021**

Cusip	Maturity Date	Accrual Start Date	Accrual End Date	No. of Days	Principal Balance	Interest Rate	Interest	Principal	Premium/Discount
59881CAB8	4/1/2022	4/1/2021	9/30/2021	180	\$50,000.00	3.00%	\$750.00	\$0.00	
59881CAC6	4/1/2023	4/1/2021	9/30/2021	180	\$50,000.00	3.00%	\$750.00	\$0.00	
59881CAD4	4/1/2024	4/1/2021	9/30/2021	180	\$55,000.00	3.00%	\$825.00	\$0.00	
59881CAE2	4/1/2025	4/1/2021	9/30/2021	180	\$55,000.00	3.00%	\$825.00	\$0.00	
59881CAF9	4/1/2026	4/1/2021	9/30/2021	180	\$55,000.00	3.00%	\$825.00	\$0.00	
59881CAG7	4/1/2027	4/1/2021	9/30/2021	180	\$60,000.00	3.00%	\$900.00	\$0.00	
59881CAH5	4/1/2028	4/1/2021	9/30/2021	180	\$60,000.00	3.00%	\$900.00	\$0.00	
59881CAJ1	4/1/2029	4/1/2021	9/30/2021	180	\$60,000.00	3.00%	\$900.00	\$0.00	
59881CAK8	4/1/2030	4/1/2021	9/30/2021	180	\$65,000.00	3.00%	\$975.00	\$0.00	
59881CAL6	4/1/2031	4/1/2021	9/30/2021	180	\$65,000.00	3.00%	\$975.00	\$0.00	
59881CAP7	4/1/2034	4/1/2021	9/30/2021	180	\$210,000.00	3.00%	\$3,150.00	\$0.00	
59881CAS1	4/1/2037	4/1/2021	9/30/2021	180	\$230,000.00	3.00%	\$3,450.00	\$0.00	
59881CAV4	4/1/2040	4/1/2021	9/30/2021	180	\$250,000.00	3.00%	\$3,750.00	\$0.00	
59881CAZ5	4/1/2044	4/1/2021	9/30/2021	180	\$335,000.00	3.00%	\$5,025.00	\$0.00	
					\$1,600,000.00		\$24,000.00	\$0.00	

Interest Due:	\$24,000.00
Principal Deposit Due:	
Net Due:	\$24,000.00

**PAYMENT SUMMARY**

Total Interest Due:

\$24,000.00

**TOTAL DUE 10/1/2021**

\$24,000.00

Notes

Employee Number	Name	85-00 Net Pay Emp Amt
1053	Beardslee, Dominic D	1,246.50
1024	Berger, Brian J	1,168.14
1056	Cecil, Raymond Cole	997.82
1052	Edwards, Roger	965.94
1002	Ferguson, J. Corinne	2,311.46
1020	Ferguson, Neil	1,904.56
1022	Hinyard, Patrick	1,399.85
1001	Jones, Cynthia	1,770.12
1005	Katzer, JoAnn	935.39
1050	Loberg, Travis	2,039.44
1055	McCallister, Johnathan M	1,821.96
1003	Mojarro-Lopez, Amanda	1,032.24
1023	Patterson, Taffine A	1,242.53
1054	Redden, Jordan	1,051.11
1051	Reich, Dennis	982.81
1021	Winnett, Lorin E	1,231.81
1004	Wuollet, Candice C	1,129.81

Grand Totals:

17 23,231.49



## Report Criteria:

Unpaid transmittals included  
Begin Date: ALL  
End Date: ALL

Transmittal Number	Name	Invoice Number	Pay Per Date	Pay Code	Description	GL Account	Amount
2							
2	IRS Tax Deposit		08/06/2021	74-00	Federal Tax Deposit Social Security	10-0216	1,308.78
2	IRS Tax Deposit		08/06/2021	74-00	Federal Tax Deposit Social Security	10-0216	1,308.78
2	IRS Tax Deposit		08/06/2021	75-00	Federal Tax Deposit Medicare Pay P	10-0216	441.53
2	IRS Tax Deposit		08/06/2021	75-00	Federal Tax Deposit Medicare Pay P	10-0216	441.53
2	IRS Tax Deposit		08/06/2021	76-00	Federal Tax Deposit Federal Withhold	10-0216	2,131.10
Total 2:							5,631.72
4							
4	Aflac		08/06/2021	63-01	Aflac Pre-Tax Pay Period: 8/6/2021	10-0225	120.18
4	Aflac		08/06/2021	63-02	Aflac After Tax Pay Period: 8/6/2021	10-0225	24.90
Total 4:							145.08
6							
6	Colorado Dept of Labor		06/25/2021	98-00	SUTA State Unemployment Tax Pay	10-0218	92.45
6	Colorado Dept of Labor		07/09/2021	98-00	SUTA State Unemployment Tax Pay	10-0218	99.08
6	Colorado Dept of Labor		07/23/2021	98-00	SUTA State Unemployment Tax Pay	10-0218	90.91
6	Colorado Dept of Labor		08/06/2021	98-00	SUTA State Unemployment Tax Pay	10-0218	95.23
Total 6:							377.67
9							
9	Colorado Dept of Revenue		08/06/2021	77-00	State Withholding Tax Pay Period: 8/6	10-0217	967.00
Total 9:							967.00
30							
30	Empower Retirement		08/06/2021	51-01	Retirement Plan Retirement Plan Pa	10-0220	797.60
30	Empower Retirement		08/06/2021	51-01	Retirement Plan Retirement Plan Pa	10-0220	1,096.80
30	Empower Retirement		08/06/2021	51-02	Retirement Plan Retirement Loan Pa	10-0220	415.83
Total 30:							2,310.23
33							
33	FPPA - Fire & Police Pensi		08/06/2021	50-00	FPPA Pay Period: 8/6/2021	10-0219	1,097.10
33	FPPA - Fire & Police Pensi		08/06/2021	50-00	FPPA Pay Period: 8/6/2021	10-0219	810.90
33	FPPA - Fire & Police Pensi		08/06/2021	90-00	Death & Disability Pay Period: 8/6/20	10-0219	286.20
Total 33:							2,194.20
70							
70	Rocky Mountain HMO		08/06/2021	60-01	RMHMO - Employee Only Pay Period	10-0223	282.16
70	Rocky Mountain HMO		08/06/2021	60-01	RMHMO - Employee Only Pay Period	10-0223	4,340.83
70	Rocky Mountain HMO		08/06/2021	60-02	RMHMO - Employee + 1 Pay Period:	10-0223	96.55
70	Rocky Mountain HMO		08/06/2021	60-02	RMHMO - Employee + 1 Pay Period:	10-0223	598.41
70	Rocky Mountain HMO		08/06/2021	60-03	RMHMO - Employee + Family Pay Pe	10-0223	351.54
70	Rocky Mountain HMO		08/06/2021	60-03	RMHMO - Employee + Family Pay Pe	10-0223	4,299.13
70	Rocky Mountain HMO		08/06/2021	60-07	RMHMO - Employee + Spouse Pay P	10-0223	93.98
70	Rocky Mountain HMO		08/06/2021	60-07	RMHMO - Employee + Spouse Pay P	10-0223	874.38

Transmittal Number	Name	Invoice Number	Pay Per Date	Pay Code	Description	GL Account	Amount
Total 70:							10,914.98
71							
71	The Harford		08/06/2021	65-01	Group#013307460001 Hartford Basic	10-0226	31.80
71	The Harford		08/06/2021	65-02	Group#013307460001 Hartford Suppl	10-0226	34.94
71	The Harford		08/06/2021	65-03	Group#013307460001 Hartford Disab	10-0226	134.43
Total 71:							201.17
73							
73	Delta Dental of Colorado		08/06/2021	60-05	Dental RMHMO - Dental Pay Period:	10-0223	314.92
Total 73:							314.92
75							
75	VSP Insurance CO (CT)		08/06/2021	60-04	RMHMO - Vision Pay Period: 8/6/202	10-0223	48.83
75	VSP Insurance CO (CT)		08/06/2021	60-04	RMHMO - Vision Pay Period: 8/6/202	10-0223	71.07
Total 75:							119.90
Grand Totals:							23,176.87

Report Criteria:

Unpaid transmittals included  
Begin Date: ALL  
End Date: ALL

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0 \* \*

5,631.72 +

2,310.23 +

2,194.20 +

10,36.15 \*

AGENDA SUMMARY FORM



Regular Minutes:  
 August 10, 2021  
 Large Park Event:  
 Mountain Harvest Festival

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

TOWN OF PAONIA



**Regular & Special Town Board Meeting, August 10, 2021**  
**MAYOR AND CITY COUNCILMEMBERS**

**Mayor Bachran**  
**Trustee Knutson**  
**Trustee Budinger**  
**Trustee Pattison**  
**Trustee Johnson**  
**Trustee Meck**  
**Trustee Bear**

**August 10, 2021,**

**Special Meeting Minutes**

**5:30 pm**

**Mayor Mary Bachran** called the Special Meeting of the Town of Paonia to order at 5:30 pm. A formal video of the Work Session and Regular Meeting link -

**ROLL CALL:**

**Mayor Mary Bachran** asked **Deputy Clerk Amanda Mojarro** to call the roll.

**Deputy Clerk Mojarro was not in the room and Town Administrator Ferguson** called the roll and those present were **Mayor Bachran, Trustee Bear, Trustee Pattison, Trustee Knutson, Trustee Budinger, Trustee Johnson and Trustee Meck.**

**Board Meeting Structure:**

Board members spoke about the meeting structure. Topic discussed were the public comment period.

Trustee Knutson moved to direct staff to prepare a written summary of decision and make it available to the public and post it on the agenda for the next meeting. New structure for meetings - Public comment period under recognition of visors, staff reports, treasurer's report, disbursements, and consent agenda. public comment period under unfinished business. Public comment period under new business, then a short public comment period at the end of meeting on anything discussed or approved during the meeting, seconded by Trustee Pattison. Motion carried with five (5) ayes and one (1) nay.

**Committee Structure Roles & Responsibilities:**

Board member discussed the committees' roles and responsibilities. Topic of discussion were how to conduct public comment during the meeting, the role and responsibilities of each committee, and the mayor's role and responsibilities.

## TOWN OF PAONIA



Each committee is to write out what their role and responsibilities are, and Mayor Bachran will write out what her role and responsibilities. The summary of Mayor and Committee members will be in the next meeting packet.

The Works Session was Adjourned at 6:15 pm by Mayor Bachran.

**August 10, 2021**

**Regular Meeting Minutes**

**6:30 pm**

**Mayor Mary Bachran** called the Regular Meeting of the Town of Paonia to order at 6:30 pm.

### **ROLL CALL:**

**Mayor Bachran** asked **Deputy Clerk Amanda Mojarro** to call the roll.

**Deputy Clerk Mojarro** called the roll and those present were **Mayor Bachran, Trustee Bear, Trustee Pattison, Trustee Knutson, Trustee Budinger, Trustee Johnson and Trustee Meck.**

#### **1. Approval of the Agenda:**

Trustee Bear moved to approve the agenda as presented, seconded by Trustee Budinger. Motion unanimously passed.

#### **2. Announcements:**

Trustee Pattison moved to add review of committee and mayor role and organizational structure, seconded by Trustee Meck. Motion unanimously passed.

Trustee Knutson amended the main motion to set a special meeting August 24<sup>th</sup> at 5:00 pm, seconded by Trustee Budinger. Motion unanimously passed.

### **Drought Update and Town Water Information**

An update was given on the current water and drought by Public Works Director Loberg. Discussion was to add any known water use to the chart.

### **Visitors and Guest:**

**Mayor Bachran** read the decorum statement to Citizens and asked Citizens for comments on Items not on the tonight's Agenda.

No comments were made.

## TOWN OF PAONIA



### **Staff Reports:**

**Town Administrator Corinne Ferguson** report was included and answered Board and public questions on items in her report.

Trustee Pattison moved to add striping of Main Street and Second Street to the street striping, seconded by Trustee Meck. Motion unanimously passed.

**Public Works Director Travis Loberg** report was included and answered the Board and public questions on items in his report.

**Paonia Chief Ferguson** police blotter was included. Chief was absent from meeting.

**Finance Officer Cindy Jones** answered question about the report and documents included.

**Town Attorney Nerlin** report was included and answered Board and public questions.

**Treasurer Report:** Treasurer King was absent from the meeting. Finance Officer Jones was available to answer questions.

Trustee Knutson moved to ask staff for a full accounting of the water, sewer, and trash reserves, seconded by Trustee Bear. Motion unanimously passed.

### **Disbursements:**

Trustee Budinger moved to approve disbursements as presented, seconded by Trustee Knutson. Motion unanimously passed.

### **Consent Agenda**

Regular Minutes – 07/27/21

Trustee Knutson made corrections to the minutes to correct his time off.

Public member Suzanne Watson stated that minutes need to reflect the ADA compliance.

Trustee Knutson moved to approve the consent agenda with corrections, seconded by Trustee Budinger. Motion unanimously passed.

### **Unfinished Business**

**First Reading – Ordinance 2021-06 Municipal Code Modification of Chapter 06 Article 01 – Alcoholic Beverages Licensing and Distance from Public Schools:** A review of the ordinance which

## TOWN OF PAONIA



modifies it to reduce the distance restriction to 350 feet and allows for issuance of bed and breakfast permits.

- Trustee Bear moved to approve the First Reading – Ordinance 2021-06 Municipal Code Modification of Chapter 06 Article 01 – Alcoholic Beverages Licensing and Distance from Public Schools, seconded by Trustee Budinger. Motion unanimously passed.

**North Fork Airport Liaison Member Appointment:** Administrator Ferguson provided an update regarding the member appointment. Board members moved forward to discuss the North Fork Airport Liaison member appointment. No appointment was made.

Trustee Pattison moved to not appoint a liaison member with the County Commissioners until further discussion is made, seconded by Trustee Johnson. Motion passed with one (1) nay and five (5) ayes.

Trustee Pattison moved to appoint a Board member to serve on the Advisory Board, seconded by Trustee Knutson. Motion unanimously passed.

Trustee Knutson moved to appoint Mayor Bachran to the Advisory Committee, seconded by Trustee Budinger. Motion unanimously passed.

### New Business

**The Learning Council – Grant Application Letter of Support:** Member of The Learning Council, Alicia Michaelson presented the Board with a request of a letter of support. Documents were included regarding the request.

Trustee Knutson moved to approve The Learning Council letter of support, seconded by Trustee Johnson. Motion unanimously passed.

**Citizens For a Healthy Community (CHC) State Redistricting:** Member of Citizen for a Healthy Community, Natasha Leger presented to the Board a request to submit a letter to the redistricting and County Commissioners to keep the water shed intact. Draft letter and documents regarding this item were included. Board members were concerned and discussed the “gerrymandering” language in the letter.

Trustee Knutson moved to approve the letter with replacing “gerrymandering” language, seconded by Trustee Johnson. Motion unanimously passed.

## TOWN OF PAONIA



**Main Avenue Fence:** Discussion follow up on the fence review application approval process for the main street fence.

- Concerns regarding this issue were the impact it would have on the legal side between the two parties involved if discussed in an open meeting.
- Town Attorney Nerlin suggested to discuss the issue after the legal matter between the parties is resolved.

Trustee Meck moved to take a 5-minute recess, seconded by Trustee Knutson. Motion unanimously passed.

Five (5) minute recess at 8:14 pm  
Returned to open meeting at 8:21pm

Trustee Knutson moved to not discuss this item due to legal ramifications, seconded by Trustee Budinger. Motion passed with two (2) nays and four (4) ayes.

Trustee Pattison moved to amend the motion to table discussion and request written detail of the process and how it was done, seconded by Trustee Knutson. Motion unanimously passed.

**First Reading of Ordinance 2021-07 Amendment to Provisions of Town Code Regarding Purchase and Possession of Marijuana:** The first reading of the ordinance is to address the rescinding of the prohibition of marijuana sales and taxation in the Town of Paonia.

Trustee Budinger moved to approve the First Reading of Ordinance 2021-07 Amendment to Provisions of Town Code Regarding Purchase and Possession of Marijuana, seconded by Trustee Johnson. Motion unanimously passed.

**Board Review of Debt Reserve Requirements and Fund Balances:** Board discussed the spreadsheet included regarding the updated debt reserve spreadsheet.

Trustee Knutson moved to table until the meeting of August 24<sup>th</sup> and include to the current balance of the reserve balance of water, sewer, and trash, seconded by Trustee Bear. Motion unanimously passed.

**Board Review Provided by Governmental Affairs and Public Safety – Short Term Rental Survey Results:** Trustee Pattison recused herself from the discussion due to conflict of interest. Trustee Johnson moved to provide the Board with an update of the survey.

## TOWN OF PAONIA



- The Board direction was to direct the Town Attorney to gather Ordinances on short term rental (STR) from other communities.

### Mayor's Report

- Report was included.

### Committee Reports

**Finance and Personal:** Trustee Knutson asked Mayor Bachran to sit in for Treasurer King due to his absence for the checking signing.

**Governmental Affairs and Public Safety:** reported on multiple projects.

**Public Works and Facilities:** reported on multiple projects.

**Tree Board:** reported on multiple projects.

**Advisory Water Committee:** meeting Wednesday at 5:00 pm at Town Hall in the community room.

**North Fork Airport Liaison Member Appointment:** This item was brought back to the table to address the County's request to have the appointed member be a user of the Airport.

Trustee Pattison moved to check with the County to see if they are comfortable with the Board's motion to appoint the Mayor to the Advisory Board, seconded by Trustee Knutson. Motion unanimously passed.

### ADJOURNMENT:

The Regular Council Meeting was adjourned at 9:13 pm.

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Amanda Mojarro, Deputy Clerk

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Mary Bachran, Mayor

**TOWN OF PAONIA**



DRAFT



# Town of Paonia Park/Event Registration Application

*This form is intended for events 100+ people using public property. The Town of Paonia encourages the use of its parks for the pleasure of its citizens, and reminds applicants to consider impacts on neighbors living adjacent to these public areas so we may all continue to enjoy our parks!*

*Please contact the Town office should there be any questions in filling out this form. The Town office is open from 8:00a to 4:30p Monday through Friday.  
Thank you~*

Applicant Name: Josh Behrman  
Organization: Mountain Harvest Creative  
Mailing Address: PO Box 1771 Paonia  
Telephone Number: 970 618 8032  
Event Manager (if different than Applicant): \_\_\_\_\_  
Event Manager Telephone: 970 618 8032  
Event Manager E-Mail: Josh.behrman@comcast.net

Please describe the event: Mountain Harvest Fest is a  
Nonprofit 4 day fest supporting enhanced  
arts and agriculture education opportunities  
Event Date(s): Sept 24 Event Hours: 4pm - 8pm  
Event Date(s): Sept 25 Event Hours: 9am - 12am  
Event Date(s): Sept 26 Event Hours: 8:30am - 6pm  
Event Date(s): \_\_\_\_\_ Event Hours: \_\_\_\_\_

**Which park do you want to use?**

- Town Park – 700 Fourth Street
  - Green space including shelters and gazebo
  - Football and/or Back Field area
- Apple Valley Park – 45 Pan American Avenue
- Poulos Park – 221 Grand Avenue (*no commercial activity allowed*)
- River Park – Grand Avenue (*no commercial activity allowed*)

**Will there be alcohol? (Alcohol Requires Board of Trustees Approval)**

- No
- Yes, but we are not selling it.
- An On-Premise Liquor Application is required.
- Yes, and we would like to sell it.
  - We are a non-profit and submitted From DR-8439 Application for a Special Event Permit and any associated forms required.
  - On an attached piece of paper is the Alcohol Mitigation Plan.

**Will there be vendors?**

- No
- Yes
  - A list of vendors is being provided to the Town for tax compliance.
  - We have contacted the Department of Revenue to work out how taxes will be submitted for the event; either electronically or manually.
  - Vendors will be notified that tax compliance will be monitored.
  - Chalk or tape are permitted to define vendor boundaries on the grass.

**Are you having a parade? Do you need a street closed?**

- No
- Yes. Attached is the street closure request form noting the day, hours and route information.

**Do you have any special requests? (i.e. - gate openings at certain times?)**

- No
- Yes Street closure  
\_\_\_\_\_  
\_\_\_\_\_

**Pricing:**

**Half Day (6 Hours or less)** \$ **100.00/day**

Includes: 3 dumpsters and up to 5 vendors

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Full Day (6+ Hours until 10:00p)** \$ **175.00/day**

Includes: 3 dumpsters and up to 10 vendors

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Multi-Day Rate (3+ consecutive days)** \$ **150.00/day**

Includes: 3 dumpsters and up to 10 vendors

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Additional Vendors (More than 10)** \$ **5.00/ea**

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Trash:** The Town will provide 3 dumpsters. If the event requires more, it is the responsibility of the applicant to contract with a local agency for additional services. Compostable ware is strongly encouraged from all vendors and event managers. Styrofoam not permitted.

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Any additional fees submitted (street closure, liquor licensing, etc):**

Type: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Date Submitted \_\_\_\_\_ Amount \_\_\_\_\_

**Recycling:** Should the event provide recycling, a \$50 credit shall be applied. \$ \_\_\_\_\_

**TOTAL FEES SUBMITTED** \$ \_\_\_\_\_

**All fees must be submitted no less than thirty (30) days before the first date of the event.**

**Other items submitted for consideration: (On an attached piece(s) of paper)**

- Communication Contacts
- Liability Insurance  
*(\$1,000,000 minimum AND the Town of Paonia needs to be listed as an additional insured)*
- Medical Plan (ie - How do you plan on addressing a person who is injured at the event?)
- Parking Plan (ie-Staff versus Visitor parking)
- Safety Plan (ie - How would you deal with a natural emergency or a tree limb falling?)
- Security Plan (ie - Vendor security, controlling alcohol, etc)

**Promotion:**

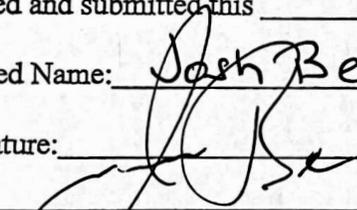
The Town is willing to promote your event by posting submitted material on the Town website, the Town of Paonia Facebook page, and/or a poster placed in the Town Hall entryway.

Any material to be promoted must be submitted no less than thirty (30) days before the first day of the event. Material shall only be promoted once for each avenue noted above.

***The undersigned agrees to restore the park to pre-event condition, safety standards will be observed at all times, no glass will be brought into the park and all fees submitted are non-refundable, even if the event is canceled.***

Signed and submitted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Printed Name: Josh Behrman

Signature: 

- Unless waived by Town staff, no less than one week before the event, a meeting must be scheduled with the Public Works Director, Parks Maintenance, Town Clerk and the Police Chief, or designees to finalize all plans and coordinate last minute items.

Date of Pre-Event Meeting: Thursday Sept 23

- Application is deemed complete and is accepted. Employee Initials CF

- Application requires Board of Trustee Approval.

Hearing Date: 8/24/2021

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



PO Box 1771 • Paonia, Colorado 81428

Josh Behrman, Festival Director  
Mountain Harvest Festival  
A 501(c)3 charitable organization  
Serving the North Fork Valley

August 5, 2021

**Attention: Town of Paonia**

Dear Town of Paonia Board,

This September, we will be celebrating the 20<sup>th</sup> year of Mountain Harvest Festival, with four days of music, food, craft and information booths, agricultural tours, and fun! As always, the festival will happen over the last full weekend of September, the 23<sup>rd</sup> – 26<sup>th</sup>. Here are the additional items of information you have requested with our application for using Paonia Town Park.

**Medical Plan:**

We will invite the North Fork Ambulance to be at the festival, as backup.

We will have staff on hand at all times at the park, and will use the stage PA system, if necessary, to call for medical assistance from festival participants who are qualified to offer it.

We have free water available, to prevent dehydration.

We request the gate near the Berkman stage to remain unlocked, should an emergency vehicle need to arrive to help a participant.

**Parking Plan:**

Our Entertain Guide will direct participants to use street parking, being aware of residents' driveways. The strip between the park and the football field will be closed to traffic, allowing safe access to our food vendors.

Staff are encouraged to carpool or ride bikes to the event, as are participants.

**Safety Plan:**

We have volunteers wearing florescent vests at the park during festival hours, available to help out with any issues that may arise; they also help insure that alcohol is kept in the park, no glass containers are used, and trash is picked up.

In the case of a natural emergency, we will use our stage PA system to calmly direct participants to safe gathering places, such as the Teen Center (storm, lightning), the center of the football field (earthquake), etc.



PO Box 1771 • Paonia, Colorado 81428

**Security Plan:**

We will hire a local person to be on hand overnight, patrolling Town Park and reporting any activity which threatens the peace and safety of our Vendors (this includes Friday and Saturday nights of the festival).

Volunteers wearing florescent vests at the park are also available to help out with any issues that may arise.

**Alcohol Management Plan:**

***In the Park:***

The Drink Locally booth will be checking identification, then issuing an “age verified” bracelet, and checking again before serving. They will be trained to be aware of customer behavior, and not serve those who are overly intoxicated.

Volunteers wearing florescent vets at the park are also available to ensure that alcohol is kept in the white fenced area of the park.

***Downtown Saturday Night:***

The Paradise Theater and the Blue Sage are the only MHF venues serving alcohol. We will provide door security to ensure that no alcohol leaves or enters the venues. IDs will be checked at point of sale to ensure customer is of age.

Our Entertainment Guide will state that no alcohol or marijuana is to be brought into and consumed in the park or downtown.

Sincerely,

Josh Behrman  
Festival Director  
[joshbehrman@comcast.net](mailto:joshbehrman@comcast.net)  
970-618-8032

# Town of Paonia

## Application for Street Closure

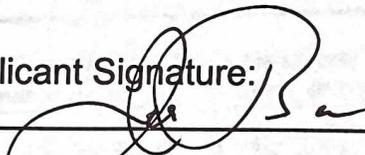
Organization Name: Mountain Harvest Creative  
 Address: PO Box 1771  
 Contact Person: Josh Behrman Telephone #: 970 618 8032  
 Date of Requested Street Closure: Sept 25

Start Time	End Time	Street(s) and Block(s) Requested for Closure
6pm	12am	Grand ave between 2nd + 3rd

Number of Participants Expected:  
 \_\_\_\_\_

I have read the attached Street Closure Ordinance 2002-06 and fully accept all responsibilities required by the Town for this street closure. Attached to this application are the following:

- ◇ A copy of general liability insurance policy;
- ◇ A check in the amount of \$25.00 per hour of street closure (minimum one hour, maximum charge, 4 consecutive hours)
- ◇ A check in the amount of \$125.00 for deposit to be held by the Town of Paonia
- ◇ (The deposit will be returned to the applicant following the event in full if the street(s) are in the same condition prior to closure);
- ◇ Written proof of notification to all adjoining property owners and businesses; and
- ◇ Written description of any vending and/or commercial activity occurring during the event.

Applicant Signature:  Date: 8-5-21

Comments from Chief of Police or Proxy: \_\_\_\_\_

**Town of Paonia Use Only**

[ ] Approved    [ ] Denied    Date: \_\_\_\_\_

Signed: \_\_\_\_\_

AGENDA SUMMARY FORM



Mountain Harvest Festival Fee Waiver Request

Summary: Request from the Mountain Harvest Creative to waive large park event fee for 2021 event.

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

AGENDA SUMMARY FORM

	Community Comment Period for: Unfinished Business		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 18, 2021

AGENDA SUMMARY FORM



**SECOND READING:** Ordinance 2021-06 Municipal Code Modification of Chapter 6 Article 1. - Alcoholic Beverage Licensing and Distance from Public Schools

**Summary:**

Fourth review and second reading of liquor code modifications as adopted by Board on 8/10/21.

**Notes:**

No modifications made.

**Possible Motions:**

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

**TOWN OF PAONIA, COLORADO  
ORDINANCE NO. 2021-06**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO AMENDING THE  
PAONIA MUNICIPAL CODE TO WITH THE ADDITION OF CERTAIN SECTIONS  
TO CHAPTER 6, ARTICLE 1**

WHEREAS C.R.S. 44-3-313 (1)(d)(I). requires any building where the malt, vinous, or spirituous liquor is to be sold to be located at least five hundred feet (500') from any public or parochial school or the principal campus of any college, university or seminary.

WHEREAS C.R.S. 44-3-313 (1)(d)(III) provides that "The local licensing authority of any city and county, by rule or regulation, the governing body of any other municipality, by ordinance and the governing body of any other county, by resolution, may eliminate or reduce the distance restrictions imposed by this paragraph (1)(d) for any class of license, or may eliminate one or more types of schools or campuses from the application of any distance restrictions..."

WHEREAS a request has been presented to the Trustees to reduce the distance for certain licenses which require on site consumption of alcohol from any public or parochial school or the principal campus of any college, university, or seminary.

WHEREAS, a request has been presented to the Trustees to allow for the Town to authorize bed and breakfast permits to allow for the provision of complimentary alcohol beverages for guests;

WHEREAS the Trustees does hereby eliminate the required distance as provided by with this ordinance, and the allowance of bed and breakfast permits.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA,** as follows:

**Section 1. Code Amendment.** Chapter 6, Article 1, Section 80 of the Paonia Municipal Code is hereby added to the Paonia Municipal Code to read as follows:

Sec. 6-1-80: The distance requirement from a public or parochial school or the principal campus of any college, university or seminary, and a licensed premises where the consumption of alcohol is wholly contained onsite, explicitly omitting a retail liquor store license, is reduced to Three Hundred and Fifty Feet (350).

Sec. 6-1-90: Bed and breakfast permits are authorized within the Town of Paonia, subject to the provisions of C.R.S. 44-3-412, as amay be amended from time to time.

**Section 2. Severability.**

If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance which can be given effect without the invalid provision or application, and, to this end, the provisions of this Ordinance are declared to be severable.

**Section 3. Repeal of Prior Ordinances.**

All other ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 4. Ordinance Effect.**

Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and any and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed; provided, however, that the repeal of any ordinance or parts of ordinances of the Town shall not revive any other section of any ordinance or ordinances hereto before repealed or superseded, and further provided that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

**Section 5. Effective Date.**

This Ordinance shall take effect thirty (30) days after passage and publication.

**INTRODUCED, READ, AND REFERRED before the Board of Trustees for the Town of Paonia, Colorado, on the 10<sup>th</sup> day of August 2021.**

**HEARD AND FINALLY ADOPTED by the Town of Paonia Board of Trustees for the Town of Paonia, Colorado, on the 24<sup>th</sup> day of August 2021.**

**TOWN OF PAONIA**

By: \_\_\_\_\_  
Mary Bachran, Mayor

ATTEST:

\_\_\_\_\_  
Corinne Ferguson, Town/Administrator Clerk

AGENDA SUMMARY FORM



SECOND READING: Ordinance 2021-07 Amendment to Provisions of Town Code Regarding Purchase and Possession of Marijuana

Summary:  
Second reading with minor corrections as noted 8/10/21.

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 11, 2021

**TOWN OF PAONIA, COLORADO  
ORDINANCE NO. 2021-07**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO AMENDING THE  
PAONIA MUNICIPAL CODE TO ADDRESS THE TOWN LICENCING AND  
TAXATION OF MEDICAL AND RETAIL MARIJUANA STORES**

WHEREAS, at the Special Election held on November 3, 2020 , a majority of the voters of Paonia approved the following two ballot questions:

**TOWN OF PAONIA BALLOT ISSUE 2C**

SHALL THE ESTABLISHMENT AND OPERATION OF RETAIL AND MEDICAL MARIJUANA STORES BE PERMITTED IN THE TOWN OF PAONIA, COLORADO SUBJECT TO THE REQUIREMENTS OF THE COLORADO RETAIL MARIJUANA CODE AND REGULATIONS SET BY THE BOARD OF TRUSTEES?

**TOWN OF PAONIA BALLOT ISSUE 2D**

SHALL TOWN OF PAONIA TAXES BE INCREASED BY \$200,000.00 ANNUALLY IN THE FIRST FISCAL YEAR, AND SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, WITH THE LEVY OF AN OCCUPATIONAL TAX OF \$5.00 PER SALES TRANSACTION, EFFECTIVE JANUARY 1, 2021, ON THE SALE OF RETAIL AND MEDICAL MARIJUANA AND MARIJUANA PRODUCTS WITHIN THE TOWN OF PAONIA, WITH THE RESULTING TAX REVENUE USED FOR INFRASTRUCTURE REPAIR AND IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO TOWN STREETS, SIDEWALKS, CURB, GUTTER, DRAINAGE, LANDSCAPING, LIGHTING AND STREETScape AMENITIES, THROUGH 2025, AND THEREAFTER ALLOCATED ANNUALLY BY THE BOARD OF TRUSTEES?

WHEREAS, in recognition of the results of the November 3, 2020 Special Election, on April 27, 2021 the Town Board of Trustees Adopted Town of Paonia Ordinance No. 2020-01, AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO AMENDING THE PAONIA MUNICIPAL CODE CHAPTER SIX, ARTICLE 4 CONCERNING THE REGULATION AND LICENSING OF MEDICAL AND RETAIL MARIJUANA STORES AND REPEALING ARTICLE 3 CONCERNING PROHIBITING MEDICAL MARIJUANA STORES, WITH AN EFFECTIVE DATE OF JULY 3, 2021; and

WHEREAS, on July 27, 2021 the Board of Trustees adopted Paonia Ordinance No. 2021-05 AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO AMENDING THE PAONIA MUNICIPAL CODE WITH THE ADDITION OF CHAPTER 4 ARTICLE 5 CONCERNING THE IMPOSITION OF AN OCCUPATIONAL TAX ON THE SALE OF MARIJUANA, and

WHEREAS, by and through the Board of Trustees, the Town is now in a position to accept and process retail and medical marijuana store licenses, allowing for the sale of the same within the limits of the Town; and

WHEREAS, with the adoption of Ordinance No. 2021-01 and Ordinance No. 2021-05, certain Municipal Code provisions restricting the possession and sale of marijuana have been superseded, and therefore should be amended or removed.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA,** as follows:

**Section 1. Recitals Incorporated.** The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Board of Trustees.

**Section 2. Code Amendment.**

Sec. 6-30-10. Repealed.

Sec. 6-4-30. Use Prohibited. The operation of properly licensed medical marijuana stores and retail marijuana stores is authorized by the Town. The operation of any other class of marijuana licenses within the Town, as provided for under C.R.S. 44-10-401 is prohibited.

Sec. 10-11-40. Prohibition on growth and use of marijuana and the possession of marijuana and marijuana paraphernalia.

- (2) It is unlawful for any person to operate, cause to be operated or permit to be operated an optional premises cultivation operation or a medical marijuana-infused products manufacturing facility in the Town of Paonia.
- (3) It is unlawful for any person to operate a cultivation facility, marijuana product manufacturing facility, marijuana testing facility, or marijuana club within the Town of Paonia.
- (4) Absent the receipt and possession of a medical marijuana store license issued by the Town of Paonia, it is unlawful to grow marijuana for medical use anywhere in the Town of Paonia other than in an enclosed, locked space. It is unlawful for three (3) or more persons to cultivate, possess, process or transport more than twelve (12) marijuana plants on any property within the Town of Paonia. Not more than twelve (12) marijuana plants may be grown, cultivated or processed on a property within the Town of Paonia. Persons lawfully cultivating marijuana in an enclosed and locked space pursuant to the authority granted herein, and in accordance with Section 16 of Article XVIII of the State Constitution must also comply with the provisions of C.R.S. 18-18-406(c) protecting persons under 21 years of age, which holds in part, if the cultivation area is located in a residence; and

- (5) Absent the receipt and possession of a retail marijuana store license, it is unlawful to grow marijuana for recreational use anywhere in the Town of Paonia other than in an enclosed, locked space. It is unlawful for three (3) or more persons to cultivate, possess, process or transport more than twelve (12) marijuana plants on any property within the Town of Paonia. Not more than twelve (12) marijuana plants may be grown, cultivated or processed on a property within the Town of Paonia. Persons lawfully cultivating marijuana in an enclosed and locked space pursuant to the authority granted herein, and in accordance with Section 16 of Article XVIII of the State Constitution must also comply with the provisions of C.R.S. 18-18-406(c) protecting persons under 21 years of age, which holds in part, if the cultivation area is located in a residence and:
- (a) A person under 21 years of age lives at the residence, the cultivation area itself must be enclosed and locked; an
- (b) If no person under 21 years of age lives at the residence, the external locks of the residence constitutes an enclosed and locked space. If a person under 21 years of age enters the residence, the person must ensure that access to the cultivation site is reasonably restricted for the duration of that person's presence in the residence
- (6) It is unlawful to cultivate marijuana in any structure without complying with applicable building and fire codes, including plumbing and electrical, and all applicable zoning codes, including but not limited to lot coverage, setbacks and height requirements. Any accessory structures and the fencing thereof must not prevent Town employees or electrical meter readers from accessing appropriate water and/or electrical meters for the purpose of reading such devices
- (7) It is unlawful to use gas products (e.g.: CO2, butane) for indoor marijuana cultivation or processing.
- (8) It is unlawful to engage in any activity that adversely affects the health or safety of nearby residents by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration or other impacts or that may be hazardous due to the use or storage of materials, processes, products or wastes, or from other actions related to the cultivation of marijuana.

Sec. 10-11-60. Applicability.

- (1) This Article shall apply throughout the jurisdiction of the Town.
- (2) This Article shall apply to all property within the Town of Paonia or within any area hereinafter annexed to the Town. In the event the Colorado Medical Marijuana Code, Article XVIII, § 14 of the Colorado Constitution, Article XVIII or § 16 of the Colorado Constitution are declared unlawful and in violation of federal law, nothing in this Article shall be deemed to permit the cultivation,

possession or use of marijuana. Nothing in this Article shall be deemed to provide a defense to the prosecution of offenses under the Federal Controlled Substances Act occurring in the Town of Paonia.

**Section 3. Severability.**

If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance which can be given effect without the invalid provision or application, and, to this end, the provisions of this Ordinance are declared to be severable.

**Section 4. Repeal of Prior Ordinances.**

All other ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 4. Ordinance Effect.**

Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and any and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed; provided, however, that the repeal of any ordinance or parts of ordinances of the Town shall not revive any other section of any ordinance or ordinances hereto before repealed or superseded, and further provided that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

**Section 5. Effective Date.**

This Ordinance shall take effect thirty (30) days after passage and publication.

**INTRODUCED, READ, AND REFERRED before the Board of Trustees for the Town of Paonia, Colorado, on the 10<sup>th</sup> day of August 2021.**

**HEARD AND FINALLY ADOPTED by the Town of Paonia Board of Trustees for the Town of Paonia, Colorado, on the 24<sup>th</sup> day of August, 2021.**

**TOWN OF PAONIA**

By: \_\_\_\_\_  
Mary Bachran, Mayor

ATTEST:

\_\_\_\_\_  
Corinne Ferguson, Town/Administrator Clerk

AGENDA SUMMARY FORM

	Community Comment Period for: New Business		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 18, 2021

AGENDA SUMMARY FORM

	<p>Zoning Board of Adjustments &amp; Appeals Open Seat Appointments</p>		
<p>Summary: Appointment to vacant ZBA and BOA. Ordinance attached for reference.</p>			
<p>Notes:  Applications submitted to Board in alphabetical order.</p>			
<p>Possible Motions:</p> <p>Motion by: _____ 2<sup>nd</sup>: _____ vote: _____</p>			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 20, 2021

Received 8.7.21

1020  
an  
(4)

TOWN OF PAONIA  
NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

PLEASE LIST THE COMMITTEE THAT YOU ARE INTERESTED IN SERVING ON AND INDICATE IF YOU ARE A CURRENT MEMBER OR INTERESTED IN FILLING A VACANCY ON THIS BOARD OR COMMITTEE. THIS FORM IS TO MAKE IT EASIER FOR ALL PERSONS INTERESTED IN SERVING ON BOARDS.

DATE: 8/7/21

NAME OF COMMITTEE/BOARD:

ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM:

STEVE CLISSET

NAME (PLEASE PRINT)

PLANNING & ZONING COMMISSION  TREE BOARD  VOLUNTEER   
ZONING BOARD OF ADJUSTMENTS/APEALS  ADVISORY WATER COMMITTEE

ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:

STEVE CLISSET

NAME (PLEASE PRINT)

101 BOX ELDER AVE PAONIA

ADDRESS:

CONTACT PHONE:

STEVE @ DRAGONARMORSHINGLES.COM

E-MAIL:

NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN)

Steven P. Clisset  
SIGNATURE

I have broad experience that spans more than 45 years and is not only in roofing which is my main expertise but includes in depth knowledge of construction and design in general which I believe would be an asset to the Town of Paonia.

Also my calm nature and educational background would add a level of depth that could help in arbitration of difficult situations.

Also my creative nature and ability as an inventor would help greatly in assessing projects that may not fit within the confines of “normal”.

Steve

Received 7.20.21 8:40AM

TOWN OF PAONIA

NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

PLEASE LIST THE COMMITTEE THAT YOU ARE INTERESTED IN SERVING ON AND INDICATE IF YOU ARE A CURRENT MEMBER OR INTERESTED IN FILLING A VACANCY ON THIS BOARD OR COMMITTEE. THIS FORM IS TO MAKE IT EASIER FOR ALL PERSONS INTERESTED IN SERVING ON BOARDS.

DATE: FRIDAY 16<sup>th</sup> of July 2021

NAME OF COMMITTEE/BOARD:

ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM:

NAME (PLEASE PRINT)

PLANNING & ZONING COMMISSION  TREE BOARD  VOLUNTEER   
ZONING BOARD OF ADJUSTMENTS/APPEALS  ADVISORY WATER COMMITTEE

ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:

GIA M FANELLI  
NAME (PLEASE PRINT)

604 2ND ST

ADDRESS: FANELLI GIA@gmail.com CONTACT PHONE: 970(975-0673)

E-MAIL:

NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN)

Gia M Fanelli  
SIGNATURE

Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and any and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed, provided, however, that the repeal of any ordinance or parts of ordinances of the Town shall not revive any other section of any ordinance or ordinances hereto before repealed or superseded and further provided that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

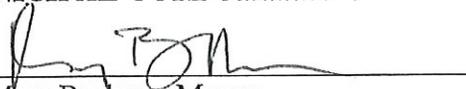
**Section 7. Effective Date.**

This Ordinance shall take effect thirty days after adoption and publication.

**INTRODUCED, READ, AND REFERRED** to public hearing before the Board of Trustees of the Town of Paonia, Colorado, on the 11<sup>th</sup> day of May 2021.

**HEARD AND FINALLY ADOPTED** by the Board of Trustees of the Town of Paonia, Colorado, this 8<sup>th</sup> day of June 2021.

**TOWN OF PAONIA, COLORADO, A  
MUNICIPAL CORPORATION**

By:   
Mary Bachran, Mayor

ATTEST:

  
Corinne Ferguson, Town Administrator/Clerk



7/16/2021

To: Town of Paonia Mayor & Board of trustees.

Concerning: Letter of interest for board of appeals application.

My interest in serving on the board of appeals for the town of Paonia are listed below:

In the IBC the standard part of the building code is having a board of appeals. The town of Paonia ignored this crucial pillar of the code until now and thus in turn has lost the trust of the many of Paonia's town citizens.

Paonia's building department is important and essential but so are the basic essential rights of every citizen who live in this town!

Just as the town manager needs to be held accountable for his or her decisions with the board of trustees the town inspectors decisions and interpretation will now have a board to hold them in check.

I understand from my previous profession that the true intent of codes and regulations are for health safety and general welfare of the community as stated in the 3<sup>rd</sup> paragraph of the recently adopted board of appeals ordinance enacted in June of 2021. I do have great respect for safety codes. I also have respect for my fellow citizens who should have a way to appeal an interpretation of the code that seems capricious or unreasonable to them. My experience has allowed me to see both sides, that puts me in a unique position to consider reasonable exceptions where strict adherence to codes may not be possible.

I have over 35 yrs of experience as a professional interior designer working side by side with architects, engineers, contractors as well as their subcontractors I am very proficient at reading plans understanding code and creating alternative solutions to the code while still maintaining the highest level of safety. The inspectors I worked with in the past were respectful professionals with common sense and an endless wealth of knowledge that they willingly shared with the property owner and their team of professionals especially addressing the gray areas of the law.

Unfortunately I can not say the same for the building inspectors I've encountered here. I've witnessed partiality, favoritism and bias interpretation of the building codes. Not only was I disrespected and treated like a criminal for merely having another interpretation of the code from the inspectors but the professionals I hired were disrespected and belittled to the point of wanting to abandon the project!

There were no options for me, no recourse, no relief!

If there would have been a fair and equitable board of appeals during the time I was doing my renovation the inspectors would have been much less likely to bully and intimidate. Indulging their egos, insecurities and other non-beneficial traits into what should have been a pleasant professional experience!

That being said this should have never happened!

I want to ensure that it doesn't happen to anyone else again and that is why I worked to get the board of appeals instated in Paonia, and why I'm interested in being on the board.

Thank you for considering me and thank you for your valuable contribution as trustees for the town of Paonia.

Sincerely, Gia Fanelli

A handwritten signature in blue ink, appearing to read "Gia Fanelli", with a long, sweeping underline.

TOWN OF PAONIA

NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

PLEASE LIST THE COMMITTEE THAT YOU ARE INTERESTED IN SERVING ON AND INDICATE IF YOU ARE A CURRENT MEMBER OR INTERESTED IN FILLING A VACANCY ON THIS BOARD OR COMMITTEE. THIS FORM IS TO MAKE IT EASIER FOR ALL PERSONS INTERESTED IN SERVING ON BOARDS.

DATE: 07/07/21

NAME OF COMMITTEE/BOARD: PLANNING COMMISSION & /OR ZONING BOARD OF ADJUSTMENTS

ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM:

NAME (PLEASE PRINT)

PLANNING & ZONING COMMISSION [X] TREE BOARD [ ] VOLUNTEER [ ] ZONING BOARD OF ADJUSTMENTS/APPEALS [X] ADVISORY WATER COMMITTEE [ ]

ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:

IAN OESER

NAME (PLEASE PRINT)

324 ORCHARD AVE 760-785-0374

ADDRESS: CONTACT PHONE:

iodesignbuild@gmail.com

E-MAIL:

NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN) INCLUDES

[Handwritten Signature]

SIGNATURE

Again, please consider me for appointment to open positions on the Planning Commission and/or Board of Adjustment and Appeals. Thanking you in advance.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal stroke at the end.

Ian Oeser

Received 7/22/21 @ 2:28 pm

**TOWN OF PAONIA**

**NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS**

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

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DATE: 7/22/21

NAME OF COMMITTEE/BOARD:

**ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM:**

NAME (PLEASE PRINT)

PLANNING & ZONING COMMISSION  TREE BOARD  VOLUNTEER   
ZONING BOARD OF ADJUSTMENTS/APPEALS  ADVISORY WATER COMMITTEE

**ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:** of Adjustments

James Sorensen

NAME (PLEASE PRINT)  
458 Price Rd Paonia Co 81428 970-234-4199

ADDRESS: jms10@tds.net CONTACT PHONE:

E-MAIL:

**NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN)**

  
SIGNATURE

To whom it may concern,

7/22/2021

My name is James Sorensen and I am interested in serving on the Board of Appeals. I have over 30 years in many aspects of construction from building to building materials. The citizens of Paonia are required by law to have access to a system of appeals. I feel as an advisor I could be an advocate for the citizens of Paonia. My hope would be to offer a understanding and collaborative forum to effectively resolve conflicts and misunderstandings. It is my hope that the building department would follow suit and instead of being adversarial and punitive would also become collaborative and informative.

Sincerely, James Sorensen

A handwritten signature in black ink that reads "James M. Sorensen". The signature is written in a cursive style with a long, sweeping underline.

Received 7.19.21 @ 2:45pm

TOWN OF PAONIA

NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

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DATE: 7/19/2021

NAME OF COMMITTEE/BOARD: BUILDING CODE BOARD OF APPEALS (BOARD OF ADJUSTMENT & APPEALS)

ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM: NO

NAME (PLEASE PRINT)

- PLANNING & ZONING COMMISSION [ ] TREE BOARD [ ] VOLUNTEER [ ] ZONING BOARD OF ADJUSTMENTS/APPEALS [X] ADVISORY WATER COMMITTEE [ ]

ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:

ZUZANA TAUVINKL

NAME (PLEASE PRINT) 16242 FARMERS MINE RD

ADDRESS: zuztau@gmail.com CONTACT PHONE: 303 934 5945

E-MAIL:

NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN) SEE NEXT PAGE

Zuzana Tauvinkl SIGNATURE

TO: Town of Paonia Mayor & Board of Trustees

SUBJECT: Letter of interest and qualifications to serve on Building Code Board of Appeals (Board of Adjustment & Appeals)

DATE: 7/19/2021

I believe that my education and experience will be helpful to navigate and interpret the complex rules of the building code.

I studied heating, cooling and plumbing design, and structural engineering at Brno Technology Institute and professionally made a living designing remodels and new structures.

Later, my carrier entailed designing car interiors and global ski wear. In my free time I renovated and built several of my own properties, using my problem solving skills, team work, creativity, and common sense approach to safety while saving money and time for all parties involved.

Sincerely,  
Zuzana Tauvinkl  
303 834 5945

Received 8.19.21 @ 3:09 PM

TOWN OF PAONIA

NOTIFICATION OF INTEREST IN SERVING ON VARIOUS COMMITTEES & BOARDS

EVERY FEW YEARS THE BOARD OF TRUSTEES FOR THE TOWN OF PAONIA ADVERTISE TO RECRUIT EXISTING BOARD MEMBERS WHO HAVE TERMS DUE TO EXPIRE AND INTERESTED VOLUNTEERS WILLING TO FILL VACANCIES ON VARIOUS BOARDS.

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DATE: 8-19-21

NAME OF COMMITTEE/BOARD: Board of Adjustments/Appeals

ARE YOU A CURRENT COMMITTEE/BOARD MEMBER? LIST YOUR NAME AND WHICH BOARD YOU ARE CURRENTLY ON AND IF YOU ARE INTERESTED IN CONTINUING SERVICE FOR NEW TERM:

NAME (PLEASE PRINT)

- PLANNING & ZONING COMMISSION [ ] TREE BOARD [ ] VOLUNTEER [ ] ZONING BOARD OF ADJUSTMENTS/APPEALS [ ] ADVISORY WATER COMMITTEE [ ]

ARE YOU INTERESTED IN SERVING ON BOARD/COMMITTEE: NAME OF PERSON INTERESTED IN BEING CONSIDERED FOR APPOINTMENT ON BOARD:

Suzanne Watson NAME (PLEASE PRINT)

903 2nd St. ADDRESS:

Paonia CO 81428 CONTACT PHONE: 970-527-2329

E-MAIL: sue.watson905@yahoo.com

NOTES: (INCLUDE LETTER OF INTEREST LISTING YOUR INTERESTS, KNOWLEDGE & SKILLS YOU FEEL WILL BENEFIT THE TOWN)

Suzanne Watson SIGNATURE

August 19, 2021

Dear Town of Paonia Trustees,

Please consider my application for Zoning Board of Adjustment and Appeals.

As a long-term Paonia resident, I have a comprehensive understanding of and experience with the Paonia Municipal Code, International Building Codes and the Colorado State Statutes that pertain to Land Use. Most importantly, I respect the need for due process when appeals are made.

Participation on Town Boards provides a unique opportunity for citizens to learn through engagement in our system of government. I believe that I could make a positive contribution if appointed.

Sincerely,



Suzanne Watson  
903 2nd St.  
Paonia, CO 81428

**ORDINANCE NO. 2021-03**

**AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA,  
COLORADO, ESTABLISHING A BUILDING CODE BOARD OF APPEALS**

**RECITALS:**

**WHEREAS**, the Town of Paonia (the “Town”), in the County of Delta and State of Colorado, is a municipal corporation duly organized and existing under the laws of the State of Colorado; and

**WHEREAS**, the Town pursuant to C.R.S. 31-4-101, the Town has certain legislative powers; and

**WHEREAS**, pursuant to C.R.S. § 31-23-301, the Town has the power to regulate buildings and other structures for the purposes of promoting health, safety, and the general welfare of the community; and

**WHEREAS**, the Town has adopted by reference codes and standards relating to the regulation of new construction, alteration, and repair of all new and existing structures within the Town, along with all plumbing, mechanical and installations therein or in connection therewith; and

**WHEREAS**, each of these codes utilize an appeals board to hear and determine appeals of decisions of the building official or claims that the true intent of the code have been incorrectly interpreted; and

**WHEREAS**, pursuant to Sec. 2-2-90 of the Town Municipal Code, the Board of Trustees has the authority to create and appoint members to board and commissions; and

**WHEREAS**, pursuant to Sec. 2-8-10 and Sec. 16-15-10 of the Town Municipal Code, the Town has an established Zoning Board of Adjustments which addresses appeals of any administrative officer or agency made in enforcement of the Town Municipal Code pertinent to zoning; and

**WHEREAS**, the Town Board of Trustees finds and determines that it is both necessary and desirable that a Building Code Board of Appeals be created; and

**WHEREAS**, the Board determines that the existing Board of Adjustments shall sit and serve as the Building Code Board of Appeals whenever such board is required;

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO, AS FOLLOWS:**

**Section 1. Legislative Findings.**

The recitals to this Ordinance are adopted as findings of the Board of Trustees in support of the enactment of this Ordinance.

**Section 2. Additions to the Town Code.**

(A) The following Article 11 is added to Chapter 18 Town Code as follows:

Chapter 18, Article 11 – Building Code Board of Appeals:

Sec. 18-11-10. Appeal Procedures.

- (a) There is hereby created the Building Code Board of Appeals. Unless otherwise conflicted, the five (5) members of the Zoning Board of Adjustment shall serve as the members of the Building Code Board of Appeals. The Board of Appeals shall consist of five (5) members, who are qualified by experience and training to pass upon matters pertaining to building construction. In evaluating the qualifications and experience of the five (5) members, the qualifications in Appendix B of the version of the IBC adopted by the Town shall serve as guidance in selecting members to the Board of Appeals.
- (b) The purpose of the Board of Appeals is to hear and decide appeals of orders, decisions, or determinations made by the building official relative to the application and interpretation of the building codes, and amendments thereto, as adopted from time to time by reference within this Chapter 18. Zoning appeals pursuant to Chapter 16 shall be heard in accordance with Chapter 16.
- (c) The Board of Appeals may adopt reasonable rules and regulations not inconsistent with this ordinance for conducting its business, meetings, and deliberations.
- (d) Appeals to the Board of Appeals may be taken by any person aggrieved by his or her inability to obtain a building permit based upon the decision of the building official. Appeals to the Board of Appeals must be made in writing and filed with the Town Clerk no later than 4:30 p.m. of the seventh day following the action or decision from which the appeal is taken. In the event the seventh day falls on a Saturday, Sunday or holiday, the next regular business day of the Town shall be deemed the seventh day. The day of the action or decision shall not be included in the seven-day calculation.
- (e) An appeal to the Board of Appeals stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken, certifies to the Board of Appeals after the notice of appeal has been filed with him or her that, by reason of facts stated in the certificate, a stay, in his or her opinion, would cause imminent peril to life and property, in which case proceedings shall not be stayed other than by a restraining order which may be granted by the Board of Appeals or a court of record on application, on notice to the officer from whom the appeal is taken and on whom due cause is shown.

Sec. 18-11-20. Hearings.

- (a) All hearings of the Board of Appeals shall be held within thirty (30) days of the filing of the appeal.
- (b) At hearings, all witnesses shall be sworn-in and the Chairperson will utilize such procedures as the Board of Appeals finds will ensure fairness and efficiency. The Board of Appeals shall not be required to observe formal rules of evidence but may consider any testimony or other evidence the Board finds reasonably reliable and calculated to aid the Board of Appeals in reaching an accurate determination of the issue involved. Rulings on questions of procedure, admissibility of evidence, and exhibits will be made by the Chairperson and will stand unless objected to by a

member of the Board of Appeals, in which event the question will be decided by a majority vote of the members of the Board present.

- (c) The Board of Appeals shall have the authority to review any written final decisions of the building official regarding the suitability of alternate materials, methods of construction, or regarding the technical application and interpretation of the building codes adopted by reference, and any amendments thereto, within this Chapter 18. The Board of Appeals shall also be authorized to issue advisory opinions and policies regarding such matters at the request of the building official. The Board of Appeals shall not have the authority to waive requirements of any such code, nor shall the Board of Appeals have the authority to recommend decreasing public safety or fire-resistive standards set forth in any section of such codes. A decision of the Board shall not be considered a precedent for future decisions of the building official. The Board of Appeals shall act in each instance based upon the facts presented in the appeal.
- (d) In the event of a conflict between any building codes adopted by the Town and this Chapter 18, Article 11, the Town Code shall take precedent. Notwithstanding the foregoing, for any matter which the Town Code is silent, the Board of Appeals shall take into account direction and guidance from the relevant building code(s).

Sec. 18-11-30. Fees.

For all applications, a fee shall be assessed to cover the administrative costs of conducting the hearing. The amount of the fee shall be established by resolution of the Board of Trustees. In the event the Board of Appeals finds in favor of the applicant, any fees initially assessed to the applicant shall be waived.

Sec. 18-11-40. Decisions.

The decision of a majority of the members of the Board of Appeals shall be final on the date it is made and signed by the Board of Appeals. Any further appeal shall be in accordance with C.R.C.P. Rule 106(a)(4).

**Section 3. Amendment to the Town Code.**

The following provision of Chapter 18, Article 4 Section 30(b) is hereby repealed.

**Section 4. Severability.**

If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance which can be given effect without the invalid provision or application, and, to this end, the provisions of this Ordinance are declared to be severable.

**Section 5. Repeal of Prior Ordinances.**

All other ordinances or parts of ordinances in conflict herewith are hereby repealed.

**Section 6. Ordinance Effect.**

Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and any and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed, provided, however, that the repeal of any ordinance or parts of ordinances of the Town shall not revive any other section of any ordinance or ordinances hereto before repealed or superseded and further provided that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

**Section 7. Effective Date.**

This Ordinance shall take effect thirty days after adoption and publication.

**INTRODUCED, READ, AND REFERRED to public hearing before the Board of Trustees of the Town of Paonia, Colorado, on the 11<sup>th</sup> day of May 2021.**

**HEARD AND FINALLY ADOPTED by the Board of Trustees of the Town of Paonia, Colorado, this 8<sup>th</sup> day of June 2021.**

**TOWN OF PAONIA, COLORADO, A  
MUNICIPAL CORPORATION**

By:   
Mary Bachran, Mayor

ATTEST:

\_\_\_\_\_  
Corinne Ferguson, Town Administrator/Clerk



AGENDA SUMMARY FORM

	<p>Board Discussion of Proposed Citizen Initiative Ordinance</p>		
<p>Summary: Discussion regarding proposed citizen initiative ordinance included in the packet.</p>			
<p>Notes:</p>			
<p>Possible Motions:</p>			
<p>Motion by: _____ 2<sup>nd</sup>: _____ vote: _____</p>			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 18, 2021

Received 8-9-2021

**WARNING:**

**IT IS AGAINST THE LAW:**

**For anyone to sign any initiative or referendum petition with any name other than his or her own or to knowingly sign his or her name more than once for the same measure or to knowingly sign a petition when not a registered elector who is eligible to vote on the measure.**

**DO NOT SIGN THIS PETITION UNLESS YOU ARE A REGISTERED ELECTOR AND ELIGIBLE TO VOTE ON THIS MEASURE. TO BE A REGISTERED ELECTOR, YOU MUST BE A CITIZEN OF COLORADO AND REGISTERED TO VOTE.**

**Do not sign this petition unless you have read or have had read to you the proposed initiative or referred measure or the summary in its entirety and understand its meaning.**

**Summary of Proposed Ordinance**

An ordinance of the Town of Paonia amending Chapter 2 of the Paonia Municipal Code by the addition of a new Section 2, Article 11 to increase local government accountability by making records of Town Infrastructure and Finance public, Colorado Open Records Act requests free of charge to citizens of Paonia, all records of the Town broadly available to elected officials, and establishing the right of Citizens and owners of property in the Town to Challenge Town actions and the legality of Ordinances in Municipal Court, at minimal expense to the applicant.

The two persons who represent the proponents of this initiative petition in all matters affecting the petition and to whom all notices or information concerning the petition shall be mailed are:

Bill Brunner, P.O. Box 172 Paonia, CO 81428  
Constantine Hirschfield, 336 Rio Grande Ave., Paonia, CO 81428

**Text of Proposed Ordinance**

**Section 1. Amendment of Town Code.**

Chapter 2 of the Town Code is amended by the addition of the following:

**Sec. 2-11-1 Access to Town Records and the Municipal Court to Increase Local Government Accountability.**

- (a) **Records of Infrastructure and Finance are based on Data and are Open to the public.**

In addition to the requirements of the Colorado Open Records Act, C.R.S. 24-72-200.1 et seq. (CORA), all reports, studies, data, statistics, engineering calculations and all other information relating to Town owned infrastructure as well as all financial records, regardless of status or designation such as draft, work product, etc. are based on data and are public records available upon request unless those records meet the requirements of section (i).

(i) Only those portions of records containing information required to be withheld by CORA or another law may be withheld and only by redaction of the required portion of the record so that the public shall have knowledge of the extent of the records withheld.

(ii) The Custodian of the records shall provide a sworn statement detailing the specific statute requiring the redaction as well as stating the nature, such as name, banking information, personal phone number, etc., specific to each individual redaction.

**(c) Trustees have Broad Access to all Records**

The Trustees of the Town of Paonia shall have broad access to examine all the records of the Town.

**(d) CORA Requests Without Cost to Citizens of Paonia.**

All CORA requests by residents of Paonia shall be provided without cost to the requester.

**(e) Actions of the Town, Town Officials and Town Ordinances may be Challenged in Municipal Court at Minimal Expense.**

Actions and decisions by the Town, Town Officials and the lawfulness of Town Ordinances may be challenged in the Municipal Court by Paonia citizens and persons who own real property in Paonia.

(i) The Court shall establish rules and procedures that allow citizens and property owners to challenge the decisions and actions of the Town and its Officials as well as the lawfulness of Town Ordinances at minimal expense to the applicant and not to exceed \$50.

(ii) The Court shall establish rules and procedures so that persons with no judicial experience may make a fair case when challenging actions or decisions of the Town, Town officials or the lawfulness of Town Ordinances, on their own behalf.

**Section 2. Severability.**

If any provision of this ordinance or the application of it to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or applications. The provisions of this ordinance are expressly declared to be severable.

AGENDA SUMMARY FORM



Commercial Zone Billing Procedure

Summary:

Discussion regarding current billing procedures for commercial zoning with mixed use.

Notes:

Ordinances attached for reference.

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

**STATE OF COLORADO**  
**TOWN OF PAONIA, COLORADO**  
**ORDINANCE NO. 2016 - 06**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO PROVIDING FOR THE AMENDMENT OF ZONING OF THE TOWN OF PAONIA, COLORADO, FOR SECTION 16-3-70 SCHEDULE OF USES COMMERCIAL DISTRICTS, DWELLING UNITS AS A SECONDARY USE TO THE BUSINESS USE AS A PERMITTED BY RIGHT USE PURSUANT TO THE CODIFIED ORDINANCES OF THE TOWN OF PAONIA, CHAPTER 16 ARTICLE 14 AMENDMENT PROCEDURES**

**WHEREAS**, The Board of Trustees of the Town of Paonia, Delta County, Colorado, have reviewed the Recommendation of the Town of Paonia Planning Commission for the Amendment of Section 16-3-70 Schedule of Uses Commercial Districts Case No. PC-2016-04, Requested by Ronald and Debra Rowell and the Town of Paonia Planning Commission; and

**WHEREAS**, the Board of Trustees has determined, upon reviewing pertinent facts, data, and statutory law, that the amendment of Section 16-3-70 Schedule of Uses Commercial Districts is desirable and in conformity with the zoning district classification and uses for C-1 Core Commercial and C-2 Community Commercial with Dwelling Units Secondary to the Business Use as a Permitted by Right Use pursuant to the Codified Ordinances of the Town of Paonia, Chapter 16 Zoning; and

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, DELTA COUNTY, COLORADO:**

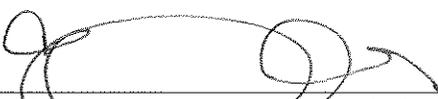
1. That Section 16-3-70 Schedule of Uses Commercial Districts, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, is hereby amended for Dwelling Units Secondary to the Business Use as a Permitted by Right Use.
2. The Town Board for the Town of Paonia is acting upon the Recommendation of the Town of Paonia Planning Commission said recommendation attached hereto as Exhibit "B".
3. This Ordinance shall become effective upon the date hereinafter set forth.
4. That if anyone or more sections or parts of this Ordinance shall be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate any of the remaining provisions hereof, it being the intention that the various provisions of this Ordinance are hereby repealed.

**INTRODUCED, READ, APPROVED, ADOPTED AND ORDERED PUBLISHED BY THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA, COLORADO THIS 23<sup>rd</sup> DAY OF AUGUST, 2016 TO BECOME EFFECTIVE THIRTY DAYS AFTER PUBLICATION BY A MAJORITY VOTE OF THE BOARD OF TRUSTEES OF THE TOWN OF PAONIA.**

**TOWN OF PAONIA, COLORADO**

By:   
Charles Stewart, Mayor

**ATTEST:**

  
J. Corinne Ferguson, Town Clerk



**EXHIBIT A**

**Town of Paonia, Colorado  
Amendment of Section 16-3-70 Schedule of Uses Commercial Districts  
Case No. PC-2016-04**

This is a zoning amendment pursuant to the provisions of Codified Ordinances of the Town of Paonia, Chapter 16 the Paonia Zoning Ordinance. Section 16-3-70 Schedule of Uses Commercial Districts currently requires Special Review for dwelling units as a part of a business use in the Town of Paonia. This zoning amendment would provide for dwelling units secondary to the business use in C-1 and C-2 Districts as a Permitted by right use. The Town of Paonia is the applicant and recommending party for this zoning amendment. The recommended Amendment of the Schedule of Uses Amendment is as below:

Sec. 16-3-70. Schedule of uses, commercial and industrial districts.

**Table 16-3  
Schedule of Uses – Commercial and Industrial Districts**

<i>Use</i>	<i>C-1 District</i>	<i>C-2 District</i>	<i>I-1 District</i>	<i>I-2 District</i>
Dwelling units secondary to the business use	P	P	S	X

P = Permitted by right

S = Permitted by special review

X = Prohibited

## EXHIBIT B

### TOWN OF PAONIA

**TO:** Mayor Stewart and Members of the Town Board of Trustees  
**FROM:** Jane A. Berry, Town Manager  
**RE:** Planning Commission Recommendation:  
Amendment of Section 16-3-70 Schedule of Uses Commercial Districts  
Case No. PC-2016-04 Requested By: Ronald and Debra Rowell and the Town of  
Paonia Planning Commission  
**DATE:** August 11, 2016

The Town of Paonia Planning Commission convened a Special Meeting of the Commission on Thursday, August 11, 2016, at 7:00PM to conduct a duly noticed meeting pursuant to the provisions and requirements of the Codified Ordinances of the Town of Paonia, Chapter 16 Zoning, Article 14 Amendment Procedures (Section 16-14-20), specifically for Amendment of Section 16-3-70 Schedule of Uses Commercial Districts.

Town Manager Jane Berry, Ronald and Debra Rowell discussed the proposed amendment with the Planning Commission for amendment to Section 16-3-70 Schedule of Uses Commercial Districts to provide for Dwelling Units Secondary to Business Use as a Permitted by Right Use.

No citizens wished to address the Planning Commission on this matter.

The Planning Commission continued their discussion and deliberation of Case No. PC-2016-04. This zoning amendment is requested by commercial property owners, existing and proposed businesses, and the Planning Commission for dwelling units secondary to the business use in C-1 and C-2 districts as a permitted by right use. This amendment would eliminate the current cumbersome and expensive requirement of a Special Review Application and process for dwelling units as a part of a business use. Dwelling uses would be secondary to the business use.

Many businesses in town are interested in being able to have a residence in their commercial property to assist them in sustaining their business as well as returning the historic use of commercial properties whereby the merchant and his family occupied a residence in some portion of their business property.

This change would also address current nonconforming uses and preserve the character of the Town's Downtown and community commercial districts. Business property owners Ronald and Debra Rowell are requesting this amendment in addition to their zoning amendment.

#### **RECOMMENDATION OF THE TOWN OF PAONIA PLANNING COMMISSION:**

Motion by Commissioner Stewart, Supported by Commissioner Bear to approve the Amendment of Section 16-3-70 Schedule of Uses for C-1 (Core Commercial) and C-2 (Community Commercial) Districts for Dwelling Units as part of a business use from Permitted by Special Review to Dwelling Units secondary to the business use Permitted by Right as requested from business property owners Ronald and Debra Rowell and in addition as requested by the Planning Commission and to recommend approval of the same to the Town Board.

Ayes: Stewart, Heck, Bear, Hirschfeld

Nays: None

Motion carried unanimously

**STATE OF COLORADO**  
**TOWN OF PAONIA, COLORADO**  
**ORDINANCE NO. 2016-07**

**AN ORDINANCE OF THE TOWN OF PAONIA, COLORADO AMENDING,  
ADDING TO AND DELETING PORTIONS OF THE PAONIA MUNICIPAL CODE  
CONCERNING WATER SERVICE**

**WHEREAS**, the Town of Paonia (the "Town"), is a duly organized and existing statutory municipality of the State of Colorado, created and operating pursuant to the Colorado Revised Statutes; and

**WHEREAS**, the members of the Board of Trustees of Paonia (the "Board") have been duly elected and qualified; and

**WHEREAS**, on January 13, 2015, the Board of Trustees duly adopted the Paonia Municipal Code as published by Colorado Code Publishing Company, now known as Municode; and

**WHEREAS**, pursuant to § 31-16-207, C.R.S, and Article 3, § 1-3-70 of the Paonia Municipal Code, the Town is authorized to adopt amendments to the Code by ordinance, and

**WHEREAS**, the Board of Trustees of the Town of Paonia, Colorado, has made a thorough review of its existing Ordinances pertaining to water rates and water policies, and

**WHEREAS**, the Board of Trustees of the Town of Paonia, Colorado, desires to enact a Water Ordinance setting forth policies of the Town pertaining to water services, and

**WHEREAS**, the Board of Trustees wishes to incorporate those changes into the Paonia Municipal Code; and

**WHEREAS**, the rates levied for water services must be calculated to meet the cost of providing water services, its related debt service, to avoid a deficit operating position, as well as for capital reinvestment and maintenance costs.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Trustees of Town Paonia, Colorado as follows:

- 1) Ordinance No. 2016-01 governing the provision of water service by the Town of Paonia, Colorado is repealed in its entirety and re-enacted as follows: and
- 2) Article 1 of Chapter 13 of the Paonia Municipal Code titled Water Regulations is replaced in its entirety and re-enacted as follows:

## SECTION 13-1-10 - DEFINITIONS

As used in this Article, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

**ADDITIONAL RATE:** The monthly rate at which the property owner or water user shall be charged for each thousand (1,000) gallons of metered water consumed.

**BASIC RATE:** The rate per month per user for having service available to a water tap.

**BUSINESS:** A for-profit or non-profit activity, enterprise or entity properly filed with the Office of the Colorado Secretary of State and occupying a building, room or rooms.

**COMMERCIAL UNIT:** A room or suite of rooms which is designed for commercial use, or occupied for any purpose not defined herein as a residential use.

**COMMERCIAL USE:** Use of water acquired from the Town of Paonia, Colorado, for any purpose not defined herein as a residential use.

**HOME BUSINESS:** A business situated on the property of the primary household unit of the owner(s) of the business.

**HOUSEHOLD UNIT:** A room or suite of rooms which is designed for, or occupied by, one family doing its cooking therein.

**IN-TOWN TAP:** A water tap within the corporate boundaries of the Town of Paonia, Colorado.

**MAJOR SUBDIVISION:** A subdivision that creates three (3) or more parcels of land or a conversion of existing parcels into five (5) or more apartments, Townhouses or condominiums.

**MASTER METER:** Any device used to measure the amount and flow of water diverted from any pipeline, conduit, or reservoir constituting a part of the waterworks system of the Town, when from such diversion water is carried to multiple users, whether or not individually metered thereafter.

**METER:** Any device used to measure the amount and flow of water diverted from any pipeline, conduit or reservoir constituting a part of the waterworks system of the Town.

**MULTIPLE USERS:** An additional use, user, or uses over and above the primary service designated for a single tap.

**MUNICIPAL WATER:** Water owned by the Town of Paonia, which may be furnished to a water user, whether said user is inside or outside the corporate limits of the Town.

**OUT-OF-TOWN TAP:** A water tap outside the corporate boundaries of the Town of Paonia, Colorado.

**PROPERTY:** A piece of real estate.

**PROPERTY OWNER(S):** Any person, individual, family, business establishment, association, corporation, or other entity holding legal or equitable title to real estate situated within the corporate limits or surrounding area of the Town upon which or to which municipal water is provided.

**RESIDENTIAL USE:** Use of water acquired from the Town of Paonia, Colorado, for residential uses, both in and outside the household unit, related to its occupancy as a single family residence.

**TAP:** A physical service connection to the municipal domestic water supply distribution system.

**TOWN:** The incorporated Town of Paonia, Colorado.

**TOWN BOARD:** The Board of Trustees of the Town of Paonia, Colorado.

**TOWN ADMINISTRATOR:** The Town Board appointed Administrator of the Town of Paonia or a designee appointed by the Town Board to fulfill the Town Administrator's duties.

**WATER COMPANY:** An organization with a contractual agreement with the Town of Paonia allowing them to deliver Town water outside the corporate boundaries of the Town of Paonia.

**WATER USER OR USERS:** Any person or business being furnished and or occupying premises equipped with one or more outlets for municipal water.

### **SECTION 13-1-20 – RATES FOR WATER.**

**a) Water Rates**

All water rates and charges shall be established from time to time by resolution of the Board of Trustees.

**b) Additional Basic Water Rates for Multiple Businesses on One Lot or in a Single Building**

A commercial unit with plumbing shall pay one basic rate. Each additional commercial unit on the property or located in a single building with plumbing shall pay one-fifth of the (1/5) basic commercial water rate. Each additional commercial business on a property or located in a single building anticipated to use five thousand (5,000) gallons of water per month or more shall pay the full commercial water basic rate. Any commercial business contained on a commercial property, or within a commercial building, that has individual accessory plumbing fixtures but not a kitchen shall pay one-fifth of the (1/5) basic commercial water rate. If plumbing fixture(s) are in a communal area and serves the communal needs of more than one of the commercial businesses housed in the same building, or on the property it will be included with the first basic rate.

**c) Limited Service Water Rate**

A Limited Service Water Rate of One Hundred and Fifty Dollars (\$150.00) shall be paid as a minimum fee for special usage, inspections, single weekend use, on a limited time basis. Such fee includes one turn-on and turnoff, with water usage up to seven (7) days and not more than five thousand (5,000) gallons.

**d) Billing Procedure**

Water meters will be read or usage estimated during the last two (2) weeks of each month. Utility bills will be mailed to the address provided by the water user no later than the fifth day of each month. The due date for utility bills shall remain constant on the fifteenth (15th) day of the month or the following business day should the 15<sup>th</sup> fall on a weekend. A late charge of five dollars (\$5.00) per residential in-Town base water rate will be added to each residential bill not paid in full within five (5) days following the date due; a late charge of ten dollars (\$10.00) per residential out-of-Town base water rate will be added to each out-of-Town residential bill not paid in full within five (5) days following the due date; a late charge of ten dollars (\$10.00) per commercial in-Town base water rate will be added to each commercial bill not paid in full within five (5) days following the date due; a late charge of fifteen dollars (\$15.00) per commercial out-of-

Town base water rate will be added to each out-of-Town commercial bill not paid in full within five (5) days following the date due; a late charge of fifteen dollars (\$15.00) per water company account will be added to each water company bill not paid in full within five (5) days following the date due. All unpaid utility bills are delinquent five (5) days following the date due. A shutoff notice shall be sent on the twentieth of the month or the next Monday if the twentieth falls on a weekend, specifying a shutoff time and date. The penalty fee that shall be charged for shutoff for nonpayment is fifty dollars (\$50.00). This penalty fee, which is in addition to the water charges and late fees, also covers the subsequent turn-on service charge once the outstanding bill is paid. A Public Works Department employee may be accompanied by a Police Officer to terminate service as of the notified date.

The Town shall notify water user(s) and property owner of delinquent accounts. Notification shall be deemed issued by placing shutoff notice in the U.S. mails to the property owner's last known address, as indicated on the County's assessment roll or the Town of Paonia utility billing records, or delivered by personal service.

Restoration of service after a shutoff for delinquent payment will be by a member of the Public Works Department during regular business hours after payment in full of all delinquent and current amount owed including all additional charges. Regular business hours for such payment and for requests for resumption of service are between the hours of 8:00 A.M. and 4:30 P.M. in person at the Town Office, Monday through Friday, except holidays. There will be no after-hours, holiday or weekend turn-on, when there has been a delinquency shutoff, unless it has been approved by the Town Administrator. There will be an additional Two Hundred Dollar (\$200.00) fee for after-hours, holiday or weekend turn-on.

If a utility bill shows an unusual increase in water usage and if the water user notifies the Town within thirty (30) days of the billing date, a Public Works Department employee will re-read the meter. If the original meter reading is in error, the water user will be credited for the amount of the error. If the original meter reading is correct and the water users are served by a master meter, they will be liable for all measured water. No further credit will be made for excess usage after the date the user is informed of the leak nor there do any credit for periods preceding the previous meter reading.

**e) Effective Date for Rates**

The effective date for rates for water shall be established by resolution of the Board of Trustees.

**SECTION 13-1-30 – FEES FOR WATER TAPS**

- a)** Each property owner (residential and commercial) connecting a water service line from their property to any water line constructed or owned by the Town, shall pay a water tap fee prior to being permitted to connect to the main water line. The tap, water service line, and meter shall be sized according to either the existing and or proposed use.

**b) Town Taps**

There is no annual limit on the number of in-Town water taps available for public sale. The basic residential ( $\frac{3}{4}$  inch) water tap fee in-Town is six thousand dollars (\$6,000) for each water tap.

The in-Town commercial water tap fee will increase as follows, requiring a 1.0 inch and or larger service line:

$\frac{3}{4}$ inch	\$6,000.00
1.0 inch	\$9,790.00
1.5 inch	\$22,000.00
2.0 inch	\$39,050.00
3.0 inch	\$88,000.00
4.0 inch	\$156,200.00

The required water tap size for a commercial use will be determined by an authorized representative of the Town.

**c) Sales of Water Taps to Water Companies**

There is hereby established a maximum annual limit of five (5) Sales of Water Taps to Water Companies. The sale of these water taps requires the majority approval of the Town Board upon the recommendation of the Town Administrator. Sales of Water Taps to Water Companies will be as follows:

$\frac{3}{4}$ inch	\$15,000.00
1.0 inch	\$22,500.00
1.5 inch	\$40,000.00
2 inch	\$75,000.00
3 inch	\$150,000.00
4 inch	\$250,000.00
6 inch	\$400,000.00
8 inch	\$750,000.00

**d) Town Tap Requirements**

Each in-Town water tap shall meet the following criteria:

1. An application to purchase the water tap shall identify the legal description of the property to be served.
2. A deposit in the amount of Three Thousand Dollars (\$3,000.00) or full payment shall be received by the Town with the application for the water tap. The balance of the water tap fee shall be paid within One Hundred and Eighty (180) days from the date of application. In the event that the balance is unpaid within One Hundred and Eighty (180) days the water tap is void and the deposit is forfeited. No water will be delivered until the water tap is paid in full. The Town Board by a majority vote and

at its discretion may provide a full or partial refund should the application to purchase the water tap be withdrawn within the One Hundred and Eighty (180) days.

**e) Water Company (Out-of-Town) Tap Requirements**

Each water company (out-of-Town) water tap shall meet the following criteria:

1. An application from the water company to purchase the water tap shall identify the legal description of the property to be served.
2. A deposit in the amount of five hundred dollars (\$500) shall be received by the Town with the application for the water tap. In the event the Town Board denies the water tap the deposit shall be refunded. The balance of the water tap fee shall be paid within one hundred eighty (180) days from the date of approval. In the event that the water tap is approved by the Town Board and the balance is unpaid within one hundred eighty (180) days the water tap is void and the deposit is forfeited. No water will be delivered until the water tap is paid in full. The Town Board by a majority vote and at its discretion may provide a full or partial refund should the application to purchase the water tap be withdrawn within the 180 days.
3. A pre-annexation agreement on a form approved by the Town Board, signed by all parties listed as owners registered on the last deed of record on the property at the office of the Delta County Clerk and Recorder, shall be delivered to the Town Clerk, such agreement to be recorded at the office of the Delta County Clerk and Recorder, at the expense of the tap purchaser.
4. Said owner(s) shall provide a legal agreement binding the owner(s) of the tap to the water ordinances of the Town of Paonia.
5. If the tap is attached to the water lines of an out-of-Town water company, a letter of approval from that water company shall be delivered to the Town Clerk, at the time of submitting the application.
6. New construction using one of the out-of-Town water taps must be built to Town of Paonia standards, apply for and receive a Town of Paonia building permit and be inspected and approved by a Town of Paonia building inspector.
7. All new water lines installed out-of-Town as a consequence of purchasing an out-of-Town tap must be built to Town of Paonia standards and be approved by the Town Administrator.
8. All out-of-Town taps must purchase and install an individual water meter that meets Town of Paonia standards.
9. The Town of Paonia, at its sole option, may require the water tap purchaser to furnish and install a fire hydrant with associated hardware and an appropriate water line sized to that hydrant. The location of the fire hydrant will be determined by the

Town of Paonia and the Delta County Fire Protection District #2. Compliance with this subsection may be evidenced by written agreement with the Town and presented to Delta County Planning Department as a condition of Town water supply to said property.

**f) Non-Transferability of Water Taps**

No water tap issued, permitted and or sold by the Town of Paonia shall be transferable. . Water taps which are not bound to a legal property description are null and void. Any violation hereof may result in a revocation of the water tap right to that property after a thirty (30) days written notice is given to the owner thereof and after a public hearing by the Town Board where the revocation will be decided by a majority vote.

**g) Water Companies**

Out-of-Town taps are to be sold within a water company unless exempted by a majority vote of the Town Board. No new water companies shall be created by the sale of out-of-Town taps unless an exemption is allowed by a majority vote of the Town Board. If a new water company is formed by the majority vote of the Town Board it must have a minimum of five (5) taps and it must agree to allow to its being merged with an adjacent water company at some future time upon the request of a majority vote of the Town Board. An existing water company may add new lateral lines to a main delivery line of the Town of Paonia that extend its coverage. Any new lateral line must be approved by the Town Administrator. No lateral line shall be added within five hundred feet of an existing lateral line unless exempted by a majority vote of the Town Board. Out-of-Town taps cannot be attached to the distribution lines owned by a water company without the written approval of that water company. All private water companies served by the Town of Paonia are required to adhere to the Town of Paonia Water Ordinance. No leak credits shall be given for water companies.

**h) Excessive Usage**

Both in-Town and out-of-Town water tap users, newly added to the Town of Paonia Water System after the adoption of Ordinance 2005-03, who use more than 150,000 gallons per month or major subdivisions that place additional demands on the Town of Paonia water system may have to supply all or a portion of acceptable raw water rights adequate to serve the additional demands as determined by the Town Board at no cost to the Town of Paonia.

**i) Installation Costs**

All costs of installation, equipment and materials related to the servicing of a water tap to be installed will be paid by the purchaser upon invoice by the Town of Paonia of any such taps and connection to the Town Water System.

**SECTION 13-1-40 – STANDBY FEES**

- a)** There is no reduced standby fee for taps that are not yet installed or not in service. The minimum monthly fee for any tap shall be the appropriate base rate.

### **SECTION 13-1-50 – INSPECTION**

- a) The Town Board and its duly constituted agents and authorities, shall have full power to take such steps as it deems proper to determine, by inspection, the number of water taps for which any property owner shall be charged, to the extent that such power does not violate the Constitution or Laws of the United States of America, the State of Colorado, and or the Town of Paonia Municipal Code.

### **SECTION 13-1-60 – WATER CERTIFICATES**

- a) The issuance and requirement for Water Certificates was discontinued as of November 1, 1988. No outstanding Water Certificate will be honored by the Town as a water tap. All Water Certificates not bound to a legal property description shall be deemed null and void. There shall be no “floating” or “unassigned” water taps permitted.

### **SECTION 13-1-70 – INDIVIDUAL METERS**

- a) Separate meters shall be required for each residence or commercial building. Properties sharing a common line feeding through one property to another, or utilizing a single meter for two or more units or serviced by only one water line shall be required to install separate meters so that service to each user is independent from every other.
- b) Each household unit shall be serviced by a separate water meter. Multiple household units in a single building owned by a single entity built prior to the enactment of this Ordinance may be served by a single water meter under the condition that all units are included in one bill which is the responsibility of the property owner. New construction of multiple household units in a single building will require separate water meters. If an additional household unit is constructed on an existing lot that has a water tap, the new structure must be provided with an additional water meter. If a lot containing more than a single structure is subdivided to provide separate lots for each structure, each lot without water meters must provide separate water lines and separate water meters as a condition of subdivision. If a lot containing a single household unit is subdivided, each household unit erected upon the new subdivided area must have a separate water line and water meter. Each separate commercial building using water must have a separate water line and water meter.
- c) Regardless of previous service record, length of service or history of the water line involved, it is hereby established that service shall be commenced only where each user is served by a separate water meter and separate service line unless exempt as outlined in this section.

### **SECTION 13-1-80 – SYSTEM PROHIBITIONS**

- a) **Water System Damage**  
No person shall:

Willfully, negligently or maliciously break, damage, destroy, uncover, deface, tamper with or alter, any structure, property, appurtenance, equipment or any other item which is part of the water system. Remove any in-Town water meter, water pipe, or other water equipment or tools owned by the Town Prevent or circumvent a water meter from measuring water supplied by the water system.

**b) Obtaining Water Fraudulently**

Tampering with water system equipment or stealing water service shall be grounds for discontinuance of water service. Theft of water shall include, but not be limited to the following:

- Opening valves at the curb or meter that have been turned off;
- Breaking, picking or damaging cut-off locks;
- By-passing meters in any way;
- Taking un-metered water from hydrants by unauthorized person or department;
- Removing, disabling or adjusting meter registers;
- Connecting to or intentionally damaging water lines, valves or other appurtenances for the purpose of stealing or damaging water system equipment;
- Moving the meter or extending service without permission;
- Any other intentional act of defacement, destruction or vandalism to water system property or act that affects water system property;
- Any intentional blockage or obstruction of water system equipment.

Water service turned on without permission, or by someone not officially designated by the Town to do so, or any unauthorized turn-on, off, or tampering with a meter shall subject the user or the property owner to whom the tap is registered to a penalty fee of Two Hundred and Fifty Dollars (\$250.00) for the first offense and a misdemeanor summons to Municipal Court for subsequent offenses. All penalties paid will be in addition to the regular costs of connection and service as well as liability for full damages, repairs, investigations or inspections incurred by their actions. After three (3) prohibition violations by the same user the matter will be sent before the Town Board for a public hearing and further action including possible tap revocation.

**c) Responsibility**

The user is responsible for any rules or policy violations that occur regarding the water service to that property. Personal participation by the user in any such violation shall not be necessary to impose personal responsibility on the user.

**d) Notification**

A notice of violation may be mailed or otherwise delivered to the user and owner, and the user shall be ordered to immediately cease any unlawful practice if there is evidence suggesting the possibility of theft of water at the user's premises and the violation does not constitute an immediate threat of safety or equipment integrity to the water system.

**No notice of violation will be mailed or delivered and water service is subject to immediate shutoff in any of the following situations:**

1. Theft of water is definitely evident on the user's premises;
2. A situation exists that may endanger public health.

**e) Punitive Billing Procedure**

If it is determined theft of water has occurred, the Town reserves the right to adjust the user's current water bill and the user's water bills for the past twelve (12) months of usage. If the approximate amount of water that was stolen cannot be reasonably determined, the user's usage will be set at two times the user's metered usage or the American Water Works Association (AWWA) standard water usage based on the number of occupants. Discontinuance of water service shall not release the user from liability of payment for water service already received or from liability from payments that thereafter become due under the Town water rates and fees. The Town shall not be liable for any loss or damage resulting from the discontinuance of water service.

**f) Unpaid Charges**

The name that appears on the account for water service shall be billed for payment of all charges. All water charges and fees shall be a lien upon the property furnished with the service, from the date such charges become due until such charges are paid in the full amount. Such lien and liability may be enforced by the Town in an action at law or in a suit to enforce the lien. The Town shall not be required to look to any person or entity other than the property owner for the payment of such charges. No change in ownership or occupation of the premises shall affect the application of this section. In the event such charges are not paid within thirty (30) days after becoming due, the Town Clerk may certify such delinquent payments, together with accrued interest, to the Treasurer of Delta County, such charges to be collected in the same manner as the real property taxes on such premises, plus a ten percent (10%) penalty to defray the costs of collection.

The Town shall have the right to refuse to provide water service to an applicant or to any member of an applicant's household who is living at the same address whenever such person(s) is (are) delinquent on any payment to the Town or had his or her water service discontinued because of a violation of this Ordinance.

**g) Restricting Water Use**

The Town may regulate, limit or prohibit the use by a user of Town-supplied water if it is necessary for the health, safety and welfare of the public, including restricting the amount of water shortage emergencies. All lawn sprinkling and other outside irrigation from the Town's public water supply system shall be prohibited upon published notice if the Board of Trustees shall determine that a public water shortage is likely to occur, or that the amount of pumpage of water from the Town public water supply system has reached such volume that, unless restricted, the public health, safety and welfare is likely to be endangered. The Board of Trustees may, during such times of water shortage emergency, direct that other measures be taken or restrictions be observed by users of the public water supply system when deemed necessary to protect the health, safety and welfare and, when published, such measures and restrictions shall be followed by users of the public water supply system.

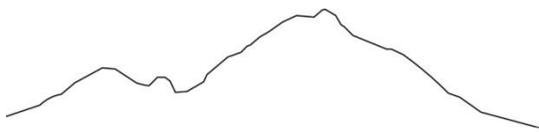
### **SECTION 13-1-90 – METER ACCESSIBILITY**

- a) At the option of the Town, property owners may be required to relocate their meter or install a remote radio meter at their own expense if its location is remote from a walkway or roadway, under a mobile home, inside a structure or where regular access is prevented permanently or temporarily by a fence, animal, or other obstruction.
- b) If the property owner involved has not made satisfactory remedy within forty-five (45) days of a written notice from the Town, the Town may relocate the meter in question, install a radio meter, or make such other appropriate remedy, charging such costs along with the regular billing for water service, or, if necessary, filing a lien against such property.
- c) No buildings, structures or sidewalks shall be built to block access to water mains or meters.

### **SECTION 13-1-100 – MAINTENANCE OF WATER PIPELINE**

- a) The Town of Paonia operates, maintains and supports a water collection and distribution system, primarily for use by residents living within the Town corporate limits.
- b) The Town of Paonia is not a public utility, nor is it furnishing water or any other service as a public utility, but does so solely as an accommodation to users outside the Paonia Town limits or as a municipal service to residents of the Town.
- c) All collection lines from springs and other water sources, transmission lines to and from reservoirs or between reservoirs, and main supply lines to the Town is the responsibility of the Town of Paonia.
- d) Within the boundaries of the Town of Paonia the maintenance of the water distribution system, including main and laterals to the valve or meter at the user's property line, shall be the responsibility of the Town. After the meter the maintenance is the responsibility of the water user.
- e) Outside the boundaries of the Town of Paonia the maintenance of the water distribution system is limited to the main lines. The maintenance of private lines including the tap and meter is the responsibility of the water company or water user. The Town Administrator will keep a list of water main lines repaired by the Town of Paonia.
- f) If a leak is detected in water lines that are not the Town's responsibility and if the repairs are not initiated or completed by the owner(s) within thirty (30) days of notification, the Town may contract the necessary repairs and prorate the cost to the owner(s). The Town reserves the right to terminate water service through lines that are leaking excessively and not being repaired. The Town Administrator shall make the determination as to the





MEMORANDUM

To: Board of Trustees, Town of Paonia  
From: Bo James Nerlin  
Re: Commercial Billing Rates with Residential Use  
Date: 8/23/2021  
CC: Ms. Corinne Ferguson

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This memorandum is to provide a brief outline of the process used for the Town in charging water utility rates when there is a residential dwelling unit in a commercial zoned district.

Background and Authority

On August 23, 2016, the Town of Paonia, by and through the Board of Trustees adopted Ordinance No. 2016-06, which expanded the schedule of uses in the Town's commercial zone districts, C-1 and C-2 (A copy of Ordinance 2016-06 is enclosed with this memo). The expansion of uses in C-1 and C-2 allowed for dwelling units secondary to business use. Ordinance No. 2016 does not provide any additional direction regarding utility usage or billing, nor does it address how any utilities for dwelling units, which are secondary to business use, would or should be billed.

The Town's water rate schedule has a different base rate for residential and commercial customers. For in Town water users, the base rate for residential customers is \$32.00 a month, and for commercial customers the base rate is \$42.00 a month. Pursuant to Section 13-1-10 of the Code, the following definitions are provided:

- *Commercial unit*: A room or suite of rooms which is designed for commercial use or occupied for any purpose not defined herein as a residential use.
- *Commercial use*: Use of water acquired from the Town of Paonia, Colorado, for any purpose not defined herein as a residential use.
- *Residential use*: Use of water acquired from the Town of Paonia, Colorado, for residential uses, both in and outside the household unit, related to its occupancy as a single-family residence.

Pursuant to Section 13-1-20 of the Code, the following provision addresses water rates for multiple businesses on a single lot:

“(b) *Additional basic water rates for multiple businesses on one lot or in a single building.* A commercial unit with plumbing shall pay one basic rate. Each additional commercial unit on the property or located in a single building with plumbing shall pay one-fifth ( $\frac{1}{5}$ ) of the basic commercial water rate. Each additional commercial business on a property or located in a single building anticipated to use five thousand (5,000) gallons of water per month or more shall pay the full commercial water basic rate. Any commercial business contained on a commercial property, or within a commercial building, that has individual accessory plumbing fixtures but not a kitchen shall pay one-fifth ( $\frac{1}{5}$ ) of the basic commercial water rate. If plumbing fixture(s) are in a communal area and serves the communal needs of more than one of the commercial businesses housed in the same building, or on the property it will be included with the first basic rate.”

The Town Code does not address or provide any additional direction when there is a residential unit secondary to business.

#### Current Billing Procedures

The Town staff has historically charged the commercial water rate to all commercially zoned buildings. The reasoning behind this is twofold:

1. Ordinance No. 2016-06 is silent as to utility billing;
2. The Town has historically billed based on zoning and not on use, as there are a number of properties within the Town, where the zoning may differ from the use, but for the purposes of uniformity, equity and in consideration of the Town’s limited resources, this has been the approach taken.

#### Direction from the Board

Staff is looking for further direction from the Board, as to whether it agrees with the current approach applied by staff, or if the Board would like to have the staff bill based on property usage vs. zoning.

	<p>American Rescue Plan Act (ARPA) Fund Use</p>		
<p><b>Summary:</b> Staff requests Board action regarding the use of ARPA funds for infrastructure.</p>			
<p><b>Notes:</b></p> <p>As reported, the Town has been awarded \$369,232.79 split between two disbursements – one received this year and the second received in 2022.</p> <p>The Town has approved the engineering of the Clock valve vault connection and has been aware and building a fund reserve to line the Lamborn Water Tank (2MG) no later than 2023. Town knew the only option to hit the 2023 deadline for the lining would be through leveraging the reserve toward a grant for the tank lining – which is never a guarantee of award.</p> <p>Public Works Director Loberg and I have discussed our recommendation with the Advisory Water Committee, who agreed with the recommendation, that the Town move forward with the funds held in reserve and the ARPA funds to complete the valve vault installation in 2021, and line the tank in 2022.</p> <p>This valve vault completion will give Town access to all springs while the 2mg tank is offline for the relining, which is critical when we are direct treating and distributing water to the system with only the 1MG tank as storage.</p> <p>Moving forward with the 2MG lining gives peace of mind that our plants and tanks remain operational without a risk of tank lining failure and/or enforcement orders from CDPHE.</p> <p>Staff recommends the Board continue to move forward with the minimum \$125,000 per year reserve, if not more, that can be used/leveraged toward other critical projects as supported by the JDS Hydro preliminary analysis and the Advisory Water Committee.</p> <p>Should the Board agree with the AWC, and Staff recommendation Town will begin the RFP process with SGM immediately, so to have bids before the early in 2022 and begin project mid-late spring of 2022.</p> <p>Thank you.</p>			
<p><b>Possible Motions:</b></p> <p>Motion by: _____ 2<sup>nd</sup>: _____ vote: _____</p>			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

ARPA fund uses

Interim Final Rule document beginning on page 17

The interim final rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).<sup>126</sup>

<sup>126</sup> Environmental Protection Agency, Drinking Water State Revolving fund, <https://www.epa.gov/dwsrf> (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf> (last visited Apr.30, 2021).

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and **storage systems, including replacement of lead service lines.** Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems.

## DWSRF Eligibilities

Read [EPA's DWSRF Eligibilities Handbook](#).

DWSRFs fund a wide range of drinking water infrastructure projects. Six categories of projects are eligible to receive DWSRF assistance. These categories and examples of projects within them are:

- **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with SDWA regulations
- **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes
- **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
- **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
- **Consolidation:** Interconnecting two or more water systems
- **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system

**DEPARTMENT OF THE TREASURY**

**31 CFR Part 35**

**RIN 1505-AC77**

**Coronavirus State and Local Fiscal Recovery Funds**

**AGENCY:** Department of the Treasury.

**ACTION:** Interim final rule.

**SUMMARY:** The Secretary of the Treasury (Treasury) is issuing this interim final rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

**DATES:** *Effective date:* The provisions in this interim final rule are effective May 17, 2021.

*Comment date:* Comments must be received on or before July 16, 2021. **ADDRESSES:** Please submit comments electronically through the Federal eRulemaking Portal: <http://www.regulations.gov>. Comments can be mailed to the Office of the Undersecretary for Domestic Finance, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically. All comments should be captions with “Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments.” Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary.

In general, comments received will be posted on <http://www.regulations.gov> without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**FOR FURTHER INFORMATION CONTACT:** Katharine Richards, Senior Advisor, Office of Recovery Programs, Department of the Treasury, (844) 529-9527.

**SUPPLEMENTARY INFORMATION:**

**I. Background Information**

**A. Overview**

Since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected

over 32 million and killed over 575,000 Americans.<sup>1</sup> The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.<sup>2</sup> As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.<sup>3</sup> During this time, a significant share of households have faced food and housing insecurity.<sup>4</sup> Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes.<sup>5</sup> As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.<sup>6</sup>

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of

COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID-19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic’s impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.<sup>7</sup> Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.<sup>8</sup> These cuts to State, local, and Tribal government workforces

<sup>1</sup> Centers for Disease Control and Prevention, COVID Data Tracker, <http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home> (last visited May 8, 2021).

<sup>2</sup> U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UNRATE>, May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU02000000>, May 3, 2021.

<sup>3</sup> U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS>, May 7, 2021.

<sup>4</sup> Nirmita Panchal et al., The Implications of COVID-19 for Mental Health and Substance Abuse (Feb. 10, 2021), <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis;> U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, <https://www.census.gov/programs-surveys/household-pulse-survey.html> (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic—United States, January 1—October 17, 2020, *Morb. Mortal. Wkly. Rep.* 69(45):1675–80 (Nov. 13, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm>.

<sup>5</sup> Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), <https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm>.

<sup>6</sup> Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/>.

<sup>7</sup> Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), <https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities>.

<sup>8</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.<sup>9</sup>

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,<sup>10</sup> as well as higher rates of unemployment and lack of basic necessities like food and housing.<sup>11</sup> Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID-19 health outcomes.<sup>12</sup> Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.<sup>13</sup> Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models.<sup>14</sup> Unfortunately, the pandemic

also has reversed many gains made by communities of color in the prior economic expansion.<sup>15</sup>

#### B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.<sup>16</sup> Section 9901 of ARPA amended Title VI of the Social Security Act<sup>17</sup> (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).<sup>18</sup> The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).<sup>19</sup>

a lifetime (June 2020), [https://webtest.childreainsstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States\\_FINAL.pdf](https://webtest.childreainsstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf); Andrew Bacher-Hicks et al., Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time, *J. of Public Econ.* Vol. 193(C) (July 2020), available at <https://www.nber.org/papers/w27555>.

<sup>15</sup> See, e.g., Tyler Atkinson & Alex Richter, Pandemic Disproportionately Affects Women, Minority Labor Force Participation, <https://www.dallasfed.org/research/economics/2020/1110> (last visited May 9, 2021); Jared Bernstein & Janelle Jones, The Impact of the COVID-19 Recession on the Jobs and Incomes of Persons of Color, [https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud\\_0.pdf](https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf) (last visited May 9, 2021).

<sup>16</sup> American Rescue Plan Act of 2021 (ARPA), sec. 9901, Public Law 117-2, codified at 42 U.S.C. 802 *et seq.* The term "state" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means each of the 50 States and the District of Columbia. The term "territory" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa. Tribal government is defined in the Act and the interim final rule to mean "the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of the [American Rescue Plan Act] pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)." See section 602(g)(7) of the Social Security Act, as added by the American Rescue Plan Act. On January 29, 2021, the Bureau of Indian Affairs published a current list of 574 Tribal entities. See 86 FR 7554, January 29, 2021. The term "local governments" as used in this **SUPPLEMENTARY INFORMATION** includes metropolitan cities, counties, and nonentitlement units of local government.

<sup>17</sup> 42 U.S.C. 801 *et seq.*

<sup>18</sup> Sections 602, 603 of the Act.

<sup>19</sup> The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, 134 Stat. 281 (2020).

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties. Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

(a) 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;

(b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

(c) 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

(d) To make necessary investments in water, sewer, or broadband infrastructure.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include "directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation."

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID-19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the

<sup>9</sup> Tracy Gordon, State and Local Budgets and the Great Recession, Brookings Institution (Dec. 31, 2012), <http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession>.

<sup>10</sup> Sebastian D. Romano et al., Trends in Racial and Ethnic Disparities in COVID-19 Hospitalizations, by Region—United States, March–December 2020, *MMWR Morb Mortal Wkly Rep* 2021, 70:560–565 (Apr. 16, 2021), [https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s\\_cid=mm7015e2\\_w](https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w).

<sup>11</sup> Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and> (last visited May 4, 2021).

<sup>12</sup> Lisa R. Fortuna et al., Inequity and the Disproportionate Impact of COVID-19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response, *Psychological Trauma* Vol. 12(5):443–45 (2020), available at <https://psycnet.apa.org/fulltext/2020-37320-001.pdf>.

<sup>13</sup> Emily Vogles et al., 53% of Americans Say the internet Has Been Essential During the COVID-19 Outbreak (Apr. 30, 2020), <https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/>.

<sup>14</sup> Emma Dorn et al., COVID-19 and student learning in the United States: The hurt could last

last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The interim final rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID-19 public health emergency on certain populations, geographies, and economic sectors. The interim final rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the interim final rule and, to better facilitate public comment, has included specific questions throughout this **SUPPLEMENTARY INFORMATION**. Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this interim final rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the interim final rule establishes certain regular reporting

requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

## II. Eligible Uses

### A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID-19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19 or its negative economic impacts. 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.<sup>20</sup>

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID-19 public health emergency. Assessing whether a program or service "responds to" the COVID-19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID-19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID-19 public health emergency affected many aspects of American life, eligible uses under 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.

<sup>20</sup> Sections 602(c)(1)(A), 603(c)(1)(A) of the Act.

The interim final rule implements these provisions by identifying a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. The interim final rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID-19 public health emergency, the interim final rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

#### 1. Responding to COVID-19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.<sup>21</sup> By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.<sup>22</sup> This wave brought acute

<sup>21</sup> Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), <https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html>.

<sup>22</sup> Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID-19 in the United States, February 24–April 21, 2021, *MMWR Morb Mortal Wkly Rep* 2021, 69(18):551–56 (May 8, 2021), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm>.

strain on health care and public health systems: Hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID-19 waves that brought many similar challenges: The second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.<sup>23</sup> By early May 2021, the United States has experienced over 32 million confirmed COVID-19 cases and over 575,000 deaths.<sup>24</sup>

Mitigating the impact of COVID-19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID-19 testing, major expansions in contact tracing, support for individuals in isolation or quarantine, enforcement of public health orders, new public communication efforts, public health surveillance (e.g., monitoring case trends and genomic sequencing for variants), enhancement to health care capacity through alternative care facilities, and enhancement of public health data systems to meet new demands or scaling needs. State, local, and Tribal governments have also supported major efforts to prevent COVID-19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs 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. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.<sup>25</sup>

The need for public health measures to respond to COVID-19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for youths. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID-19 trends to understand continued risks to the United States. Finally, the long-term health impacts of COVID-19 will continue to require a public health response, including medical services for individuals with “long COVID,” and research to understand how COVID-19 impacts future health needs and raises risks for the millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID-19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.<sup>26</sup> The proportion of children’s emergency department visits related to mental health has also risen noticeably.<sup>27</sup> Similarly, rates of substance misuse and overdose deaths have spiked: Preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.<sup>28</sup> Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access

services.<sup>29</sup> Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.<sup>30</sup>

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.<sup>31</sup> The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID-19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.<sup>32</sup>

Similarly, low-income and socially vulnerable communities have seen the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000, as of May 2021.<sup>33</sup> Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national average, with 211 deaths per 100,000 as of May 2021.<sup>34</sup>

<sup>29</sup> Megan L. Evans, et al., A Pandemic within a Pandemic—Intimate Partner Violence during Covid-19, *N. Engl. J. Med.* 383:2302–04 (Dec. 10, 2020), available at <https://www.nejm.org/doi/full/10.1056/NEJMp2024046>.

<sup>30</sup> Jeanne M. Santoli et al., Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States, *Morb. Mortal. Wkly. Rep.* 69(19):591–93 (May 8, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm>; Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID-19 Pandemic—New York City, March 1–June 27, 2020, *Morb. Mortal. Wkly. Rep.* 69(30):999–1001 (Jul. 31 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm>.

<sup>31</sup> Office of the White House, National Strategy for the COVID-19 Response and Pandemic Preparedness (Jan. 21, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf>.

<sup>32</sup> In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID-19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. See Romano, *supra* note 10.

<sup>33</sup> Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by County-level Population Factors, [https://covid.cdc.gov/covid-data-tracker/#pop-factors\\_totaldeaths](https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths) (last visited May 8, 2021).

<sup>34</sup> The CDC’s Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases

Continued

<sup>23</sup> Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory, [https://covid.cdc.gov/covid-data-tracker/#trends\\_dailytrendscases](https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases) (last visited May 8, 2021).

<sup>24</sup> *Id.*

<sup>25</sup> Centers for Disease Control and Prevention, COVID Data Tracker: COVID-19 Vaccinations in the United States, <https://covid.cdc.gov/covid-data-tracker/#vaccinations> (last visited May 8, 2021).

<sup>26</sup> Panchal, *supra* note 4; Mark E. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID-19 Pandemic—United States, June 24–30 2020, *Morb. Mortal. Wkly. Rep.* 69(32):1049–57 (Aug. 14, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>.

<sup>27</sup> Leeb, *supra* note 4.

<sup>28</sup> Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm> (last visited May 8, 2021).

Over the last year, Native Americans have experienced more than one and a half times the rate of COVID-19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.<sup>35</sup> Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID-19 mortality.<sup>36</sup>

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.<sup>37</sup> Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while screenings for elevated blood lead levels declined during the pandemic.<sup>38</sup> The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.<sup>39</sup>

and Deaths in the United States, by Social Vulnerability Index, [https://covid.cdc.gov/covid-data-tracker/#pop-factors\\_totaldeaths](https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths) (last visited May 8, 2021).

<sup>35</sup> Centers for Disease Control and Prevention, Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity, <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html> (last visited Apr. 26, 2021).

<sup>36</sup> See, e.g., Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID-19 (Dec. 10, 2020), <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html> (last visited Apr. 26, 2021).

<sup>37</sup> Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID-19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3695249](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249); Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, *JAMA* 324(4):388–90 (2020), available at <https://jamanetwork.com/journals/jama/fullarticle/2767630>.

<sup>38</sup> See, e.g., Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID-19—34 Jurisdictions, *January–May 2020*, *Morb. Mort. Wkly. Rep.* 70(5):155–61 (Feb. 5, 2021), <https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm>; Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID-19: Protecting Vulnerable Communities During a Pandemic, *Health Affairs Blog* (Mar. 19, 2020), <https://www.healthaffairs.org/doi/10.1377/hblog.20200319.757883/full/>.

<sup>39</sup> See, e.g., Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra*

*Eligible Public Health Uses*. The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID-19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID-19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID-19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

The interim final rule identifies a non-exclusive list of uses that address the effects of the COVID-19 public health emergency, including:

- *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;<sup>40</sup> ventilation improvements in

note 38; Nathaniel M. Lewis et al., Disparities in COVID-19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation—Utah, March 3–July 9, 2020, *Morb. Mort. Wkly. Rep.* 69(38):1369–73 (Sept. 25, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm>.

<sup>40</sup> This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational

congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.<sup>41</sup> 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.<sup>42</sup>

- *Medical Expenses*. The COVID-19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID-19 variants has raised new risks and genomic surveillance needs.<sup>43</sup> Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID-19, or for post-intensive care syndrome.<sup>44</sup> State and local governments may need to continue to provide care and services to address these near- and longer-term needs.<sup>45</sup>

Strategy for K–12 Schools through Phased Prevention, available at <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html>.

<sup>41</sup> Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under the ARPA, including those not explicitly listed here (e.g., telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions), with the following two exceptions: (1) The standard for eligibility of public health and safety payrolls has been updated (see section II.A of this **SUPPLEMENTARY INFORMATION**) and (2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service in section II.B of this **SUPPLEMENTARY INFORMATION**).

<sup>42</sup> Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 FR 4182 (Jan. 15, 2021), available at <https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register-2021-00827.pdf>.

<sup>43</sup> Centers for Disease Control and Prevention, *supra* note 24.

<sup>44</sup> Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html> (last visited Apr. 26, 2021).

<sup>45</sup> Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

- *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine.

- *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency.<sup>46</sup> Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the COVID-19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID-19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to the COVID-19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on

<sup>46</sup> In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

the COVID-19 response. Recipients need not routinely track staff hours.

- *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.

*Eligible Uses to Address Disparities in Public Health Outcomes.* In addition, in recognition of the disproportionate impacts of the COVID-19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the interim final rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),<sup>47</sup> to families living in QCTs, or when these services are provided by Tribal governments.<sup>48</sup> Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the

<sup>47</sup> Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.

<sup>48</sup> U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, <https://www.huduser.gov/portal/datasets/qct.html> (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), <https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf> (last visited Apr. 26, 2021).

specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to 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;<sup>49</sup>
- 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.<sup>50</sup>

## 2. Responding to Negative Economic Impacts

*Impacts on Households and Individuals.* The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote

<sup>49</sup> The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. See, e.g., U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, <https://health.gov/healthypeople/objectives-and-data/social-determinants-health> (last visited Apr. 26, 2021).

<sup>50</sup> National Commission on COVID-19 and Criminal Justice, Impact Report: COVID-19 and Crime (Jan. 31, 2021), <https://covid19.counciloncj.org/2021/01/31/impact-report-covid-19-and-crime-3/> (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID-19 pandemic, *Am. J. of Emerg. Med.* 38(12): 2753-55 (Dec. 1, 2020), available at [https://www.ajemjournal.com/article/S0735-6757\(20\)30307-7/fulltext](https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext) (showing a spike in domestic violence).

education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.<sup>51</sup>

Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,<sup>52</sup> and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.<sup>53</sup>

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.<sup>54</sup> Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.<sup>55</sup> A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.<sup>56</sup> Over the course of the pandemic,

inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.<sup>57</sup> Women of color have been hit especially hard: The labor force participation rate for Black women has fallen by 3.2 percentage points<sup>58</sup> during the pandemic as compared to 1.0 percentage points for Black men<sup>59</sup> and 2.0 percentage points for White women.<sup>60</sup>

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.<sup>61</sup> In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores<sup>62</sup> and reduced familial and childhood wellbeing.<sup>63</sup>

Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and> (last visited May 8, 2021).

<sup>51</sup> Women have carried a larger share of childcare responsibilities than men during the COVID-19 crisis. See, e.g., Gema Zamorro & Maria J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID-19, *Rev. Econ. Household* 19:11–40 (2021), available at <https://link.springer.com/article/10.1007/s11150-020-09534-7>; Titan Alon et al., The Impact of COVID-19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), available at <https://www.nber.org/papers/w26947>.

<sup>52</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300032> (last visited May 8, 2021).

<sup>53</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300031> (last visited May 8, 2021).

<sup>54</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300029> (last visited May 8, 2021).

<sup>55</sup> See, e.g., Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), <https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/>.

<sup>56</sup> Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), [https://www.nclc.org/images/pdf/credit\\_reports/report-credit-conundrum-2013.pdf](https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf).

<sup>57</sup> Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., *Children of the Great Recession*,

These potential long-term economic consequences underscore the continued need for robust policy support.

*Impacts on Businesses.* The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment<sup>64</sup> and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.<sup>65</sup> Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.<sup>66</sup> Sectors with a large share of small business employment have been among those with the most drastic drops in employment.<sup>67</sup> The negative outlook for small businesses has continued: As of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.<sup>68</sup>

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.<sup>69</sup> In general, small businesses can face greater hurdles in accessing credit,<sup>70</sup> and many small businesses were already financially fragile at the outset of the pandemic.<sup>71</sup> Non-profits, which provide vital services to communities, have similarly faced

Russell Sage Foundation (Aug. 2016), available at <https://www.russellsage.org/publications/children-great-recession>.

<sup>64</sup> Board of Governors of the Federal Reserve System, *supra* note 5.

<sup>65</sup> U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), <https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/>.

<sup>66</sup> Biden, *supra* note 6.

<sup>67</sup> Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID-19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), available at <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf>.

<sup>68</sup> U.S. Census Bureau, Small Business Pulse Survey, <https://portal.census.gov/pulse/data/> (last visited May 8, 2021).

<sup>69</sup> Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID-19 Pandemic (Nov. 2020), <https://www.nber.org/papers/w28151>.

<sup>70</sup> See e.g., Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), available at <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>.

<sup>71</sup> Alexander W. Bartik et al., The Impact of COVID-19 on small business outcomes and expectations, PNAS 117(30): 17656–66 (July 28, 2020), available at <https://www.pnas.org/content/117/30/17656>.

<sup>51</sup> U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS> (last visited May 8, 2021).

<sup>52</sup> *Id.*

<sup>53</sup> U.S. Bureau of Labor Statistics, Civilian Labor Force Level (CLF16OV), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CLF16OV> (last visited May 8, 2021).

<sup>54</sup> U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), <https://www.bls.gov/news.release/empsit.t01.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea04.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea05.htm> (last visited May 8, 2021).

<sup>55</sup> Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), <https://files.epi.org/pdf/219418.pdf>. See also, Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID-19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), <https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf>.

<sup>56</sup> Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on

economic and financial challenges due to the pandemic.<sup>72</sup>

*Impacts to State, Local, and Tribal Governments.* State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.<sup>73</sup> These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

*Exacerbation of Pre-existing Disparities.* The COVID-19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID-19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,<sup>74</sup> and jobs that require in-person frontline work, which are exposed to greater risk of contracting COVID-19.<sup>75</sup> Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,<sup>76</sup> raise a substantial risk that the effects of the COVID-19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007–2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor

neighborhoods more than doubling by 2010–2014 relative to 2000.<sup>77</sup> Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.<sup>78</sup> Given the disproportionate impact of COVID-19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID-19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all of which contribute to long-term economic outcomes.<sup>79</sup> Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.<sup>80</sup> Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,<sup>81</sup> an

<sup>77</sup> Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), <https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/>.

<sup>78</sup> David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), available at [https://www.frbsf.org/community-development/files/cp\\_fullreport.pdf](https://www.frbsf.org/community-development/files/cp_fullreport.pdf).

<sup>79</sup> Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. See, e.g., Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, *PLoS ONE* 13(7) (2018), available at <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144>; Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, <https://opportunityinsights.org/education/> (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education> (last visited Apr. 26, 2021).

<sup>80</sup> See, e.g., Bacher-Hicks, *supra* note 14.

<sup>81</sup> A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. See Institute of Education Sciences, Monthly School Survey Dashboard, <https://ies.ed.gov/schoolsurvey/> (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only.

effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.<sup>82</sup> Evidence suggests that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.<sup>83</sup>

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.<sup>84</sup> Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.<sup>85</sup>

*Eligible Uses.* Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID-19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be

See Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), <https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07> (last visited May 4, 2021).

<sup>82</sup> HHS, *supra* note 79.

<sup>83</sup> Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease—2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, *J. of Pediatrics* Vol. 223:188–93 (Aug. 1, 2020), available at [https://www.jpeds.com/article/S0022-3476\(20\)30606-5/abstract](https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract).

<sup>84</sup> Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey. Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren, Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; see also Donna Feir & Charles Golding, Native Employment During COVID-19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), <https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound>.

<sup>85</sup> Moreno & Sobrepena, *supra* note 73.

<sup>72</sup> Federal Reserve Bank of San Francisco, Impacts of COVID-19 on Nonprofits in the Western United States (May 2020), <https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf>.

<sup>73</sup> Bureau of Labor Statistics, *supra* note 8; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID-19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), <https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances>.

<sup>74</sup> Kim Parker et al., Economic Fallout from COVID-19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>; Gould, *supra* note 55.

<sup>75</sup> See *infra* Section II.B of this Supplementary Information.

<sup>76</sup> Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), <https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/>.

eligible under this category, the recipient should assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm.<sup>86</sup> A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID-19 public health emergency. While economic impacts may either be immediate or delayed, assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.

In addition, the eligible use must “respond to” the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and or exacerbated by the public health emergency.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began

and remain so due to the negative economic impacts of the pandemic.

- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021, given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic’s negative economic impacts on unemployed workers.

- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes: Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker’s occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative

economic impacts resulting from the pandemic. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering the appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, State, local and Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal Government in response to the COVID-19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor’s benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims.

- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.

- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical

<sup>86</sup> In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and

- Technical assistance, counseling, or other services to assist with business planning needs.

As discussed above, these services should respond to the negative economic impacts of COVID-19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria.<sup>87</sup>

- *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower in April 2021 than prior to the pandemic.<sup>88</sup> Employment losses decrease a state or local government's ability to effectively administer services. Thus, the interim final rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

- *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID-19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the

pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID-19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID-19 public health emergency.<sup>89</sup> Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

To facilitate transparency and accountability, the interim final rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including

tourism, travel, hospitality, and other impacted industries, and its connection to negative economic impacts of the pandemic. Recipients also should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

As discussed above, economic disparities that existed prior to the COVID-19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the interim final rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID-19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.<sup>90</sup> Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The interim final rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID-19 public health emergency, including:

- *Building Stronger Communities through Investments in Housing and Neighborhoods.* The economic impacts of COVID-19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.<sup>91</sup>

<sup>87</sup> See Federal Reserve Bank of Cleveland, An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms (Oct. 8, 2020), <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx> (discussing the impact of COVID-19 on minority owned businesses).

<sup>88</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

<sup>89</sup> From February 2020 to April 2021, employment in "Leisure and hospitality" has fallen by approximately 17 percent. See U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/USLAH> (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (e.g. revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. See Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, [https://www.bea.gov/sites/default/files/2021-03/gdp4q20\\_3rd.pdf](https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf).

<sup>90</sup> HUD, *supra* note 48.

<sup>91</sup> Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), <https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of->

Services in this category alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.<sup>92</sup> Eligible services include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and

- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.<sup>93</sup>

- *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;

- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;

- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other

*persistent-urban-inequality-and-concentrated-poverty/.*

<sup>92</sup> U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11> (last visited Apr. 26, 2021).

<sup>93</sup> The Opportunity Atlas, <https://www.opportunityatlas.org/> (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, *Quarterly J. of Econ.* 133(3):1107–162 (2018), available at <https://opportunityinsights.org/paper/neighborhoodsi/>.

extended learning and enrichment programs; and

- Evidence-based practices to address the social, emotional, and mental health needs of students;

- *Promoting Healthy Childhood Environments.* Children's economic and family circumstances have a long-term impact on their future economic outcomes.<sup>94</sup> Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today's children due to the pandemic. Eligible services to address this challenge include:

- New or expanded high-quality childcare to provide safe and supportive care for children;

- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and

- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

<sup>94</sup> See *supra* notes 52 and 84.

*Uses Outside the Scope of this Category.* Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is "necessary" and in water, sewer, or broadband. See Section II.D of this **SUPPLEMENTARY INFORMATION**. State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide "government services" broadly to the extent of their reduction in revenue. See Section II.C of this **SUPPLEMENTARY INFORMATION**.

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID-19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the interim final rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID-19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring

plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID-19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this **SUPPLEMENTARY INFORMATION**, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

*Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.*

*Question 2: The interim final rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID-19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID-19 response, and therefore reimbursable, in an easily-administrable manner?*

*Question 3: The interim final rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2020. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?*

*Question 4: The interim final rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?*

*Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.*

*Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries"*

*affected by the COVID-19 public health emergency?*

*Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID-19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?*

*Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID-19 on low-income populations and communities? Describe how these respond to the COVID-19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.*

*Question 9: The interim final rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?*

#### B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.<sup>95</sup> These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID-19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have

contracted or died of COVID-19.<sup>96</sup> Several examples reflect the severity of the health impacts for essential workers. Meat processing plants became "hotspots" for transmission, with 700 new cases reported at a single plant on a single day in May 2020.<sup>97</sup> In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID-19 by mid-May 2020, with nearly 4,000 testing positive for the virus.<sup>98</sup> Furthermore, many essential workers are people of color or low-wage workers.<sup>99</sup> These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers 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; and
- Social service and human services staff.

During the public health emergency, employers' policies on COVID-19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened risks they have faced and continue to face.<sup>100</sup>

<sup>96</sup> See, e.g., Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, <https://covid.cdc.gov/covid-data-tracker/#health-care-personnel> (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID-19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week—United States, <https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff> (last visited May 4, 2021).

<sup>97</sup> See, e.g., The Lancet, The plight of essential workers during the COVID-19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), available at <https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext>.

<sup>98</sup> *Id.*

<sup>99</sup> Joanna Gaitens et al., Covid-19 and essential workers: A narrative review of health outcomes and moral injury, *Int'l J. of Env'tl. Research and Pub. Health* 18(4):1446 (Feb. 4, 2021), available at <https://pubmed.ncbi.nlm.nih.gov/33557075/>; Tiana N. Rogers et al., Racial Disparities in COVID-19 Mortality Among Essential Workers in the United States, *World Med. & Health policy* 12(3):311-27 (Aug. 5, 2020), available at <https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358> (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

<sup>100</sup> Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), <https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/>.

<sup>95</sup> Sections 602(c)(1)(B), 603(c)(1)(B) of the Act.

Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.<sup>101</sup> A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.<sup>102</sup> The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID-19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the 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. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean “those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government.”<sup>103</sup> The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.<sup>104</sup> These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others

as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would “respond to” to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the interim final rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker’s total pay above 150 percent of their residing state’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, or their residing county’s average annual wage, as defined by the Bureau of Labor Statistics’ Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.<sup>105</sup>

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the interim final rule.<sup>106</sup> For these occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the mis-alignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID-19, it must be entirely additive to a worker’s regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker’s normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.<sup>107</sup> Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many

of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, [https://www.bls.gov/oes/current/county\\_links.htm](https://www.bls.gov/oes/current/county_links.htm) (last visited May 1, 2021).

<sup>106</sup> Treasury performed this analysis with data from the U.S. Census Bureau’s 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

<sup>107</sup> However, such compensation must be “in addition to” remuneration or wages already received. That is, employers may not reduce such workers’ current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

<sup>101</sup> McCormack, *supra* note 37.

<sup>102</sup> *Id.*

<sup>103</sup> Sections 602(g)(2), 603(g)(2) of the Act.

<sup>104</sup> The list of critical infrastructure sectors provided in the interim final rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

<sup>105</sup> County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. See U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, <https://www.bls.gov/oes/current/oesrscst.htm> (last visited May 1, 2021); U.S. Bureau

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, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided. See Section VIII of this **SUPPLEMENTARY INFORMATION**, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the interim final rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

*Question 10: Are there additional sectors beyond those listed in the interim final rule that should be considered essential critical infrastructure sectors?*

*Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?*

*Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?*

### C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency.<sup>108</sup> Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same

period 2019.<sup>109</sup> At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.<sup>110</sup> Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.<sup>111</sup> These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID-19 pandemic and help citizens weather the economic downturn.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007-2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.<sup>112</sup> Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,<sup>113</sup> while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019—just a few months before the COVID-19 public health emergency began.<sup>114</sup>

<sup>109</sup> Major sources include personal income tax, corporate income tax, sales tax, and property tax. See Lucy Dadayan, States Reported Revenue Growth in July-September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), available at [https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3\\_0.pdf](https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf).

<sup>110</sup> National League of Cities, City Fiscal Conditions (2020), available at [https://www.nlc.org/wp-content/uploads/2020/08/City\\_Fiscal\\_Conditions\\_2020\\_FINAL.pdf](https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf).

<sup>111</sup> Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. See Moreno & Sobrepena, *supra* note 73.

<sup>112</sup> See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

<sup>113</sup> State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts.

<sup>114</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001],

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The interim final rule implements these provisions by establishing a definition of "general revenue" for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID-19 public health emergency.

*General Revenue.* The interim final rule adopts a definition of "general revenue" based largely on the components reported under "General Revenue from Own Sources" in the Census Bureau's Annual Survey of State and Local Government Finances, and for purposes of this interim final rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.<sup>115</sup> By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The interim final rule defines the term "general revenue" to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.<sup>116</sup> In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of

retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited Apr. 27, 2021).

<sup>115</sup> U.S. Census Bureau, Annual Survey of State and Local Government Finances, <https://www.census.gov/programs-surveys/gov-finances.html> (last visited Apr. 30, 2021).

<sup>116</sup> The interim final rule would define tax revenue in a manner consistent with the Census Bureau's definition of tax revenue, with certain changes (*i.e.*, inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as "charges imposed for providing current services or for the sale of products in connection with general government activities." It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (*i.e.*, other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

<sup>108</sup> ARPA, *supra* note 16.

the COVID-19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.<sup>117</sup>

Consistent with the Census Bureau's definition of "general revenue from own sources," the definition of general revenue in the interim final rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.<sup>118</sup> For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility's continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term "general revenue" includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal Government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in

intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau's methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.<sup>119</sup> For purposes of measuring loss in general revenue due to the COVID-19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.<sup>120</sup>

*Calculation of Loss.* In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in revenue relative to the most recent fiscal year prior to the COVID-19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID-19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.<sup>121</sup> Although revenue may decline for

reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years of available data.<sup>122</sup> This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID-19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- *Step 1:* Identify revenues collected in the most recent full fiscal year prior to the public health emergency (*i.e.*, last full fiscal year before January 27, 2020), called the *base year revenue*.
- *Step 2:* Estimate *counterfactual revenue*, which is equal to *base year revenue* \*  $[(1 + \text{growth adjustment})^{(n/12)}]$ , where *n* is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal

<sup>117</sup> Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. See Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287-B (Feb. 2009).

<sup>118</sup> *Supra* note 116.

<sup>119</sup> U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), <https://www2.census.gov/govs/class/classfull.pdf>.

<sup>120</sup> For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), <https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html>.

<sup>121</sup> For example, following the 2007-09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. See U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=r3YI> (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

<sup>122</sup> Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015-2018 represents the most recent available data. See U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), <https://www.census.gov/programs-surveys/gov-finances/data/datasets.html>.

years prior to the COVID-19 public health emergency.

- *Step 3:* Identify *actual revenue*, which equals revenues collected over the past twelve months as of the calculation date.

- *Step 4:* The extent of the reduction in revenue is equal to *counterfactual*

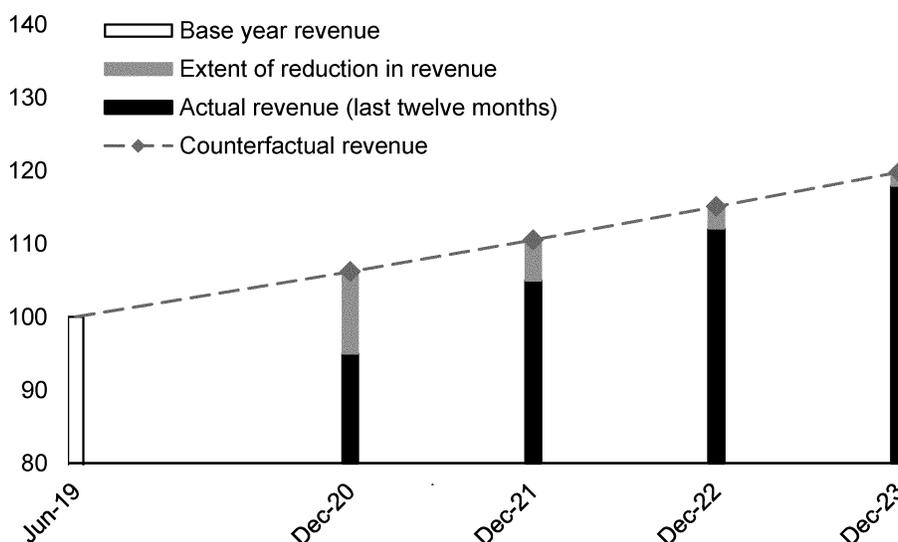
*revenue less actual revenue*. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1

percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<i>n</i> (months elapsed) .....	18	30	42	54
<i>Counterfactual revenue:</i> .....	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building<sup>123</sup> of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for

borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (e.g., rainy day or other reserve funds) would

not be considered provision of a government service, since such expenses do not directly relate to the provision of government services.

*Question 13: Are there sources of revenue that either should or should not be included in the interim final rule's measure of "general revenue" for recipients? If so, discuss why these sources either should or should not be included.*

*Question 14: In the interim final rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.*

*Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID-19 public health emergency, in determining whether to presume that revenue losses are "due to" the COVID-*

<sup>123</sup> Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID-19 public health emergency.

Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury do to support these recipients through its implementation of the program?

Question 17: In the interim final rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.

#### D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The interim final rule outlines eligible uses within each category, allowing 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 are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. 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 an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.<sup>124</sup>

It is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to

ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

#### 1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.<sup>125</sup> By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The interim final rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).<sup>126</sup>

<sup>125</sup> Sections 602(c)(1)(D), 603(c)(1)(D) of the Act.

<sup>126</sup> Environmental Protection Agency, Drinking Water State Revolving fund, <https://www.epa.gov/dwsrf> (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf> (last visited Apr. 30, 2021).

Established by the 1987 amendments<sup>127</sup> to the Clean Water Act (CWA),<sup>128</sup> the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.<sup>129</sup> Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.<sup>130</sup>

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),<sup>131</sup> with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.<sup>132</sup> Like the CWSRF,

<sup>127</sup> Water Quality Act of 1987, Public Law 100-4.

<sup>128</sup> Federal Water Pollution Control Act as amended, codified at 33 U.S.C. 1251 *et seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. Public Law 111-5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. Public Law 113-121. *The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, Public Law 115-270.*

<sup>129</sup> See Environmental Protection Agency, The Drinking Water State Revolving Funds: Financing America's Drinking Water, EPA-816-R-00-023 (Nov. 2000), <https://nepis.epa.gov/Exe/ZyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF>; See also Environmental Protection Agency, *Learn About the Clean Water State Revolving Fund*, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021).

<sup>130</sup> 33 U.S.C. 1383(c). See also Environmental Protection Agency, *Overview of Clean Water State Revolving Fund Eligibilities* (May 2016), [https://www.epa.gov/sites/production/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf); Claudia Copeland, *Clean Water Act: A Summary of the Law*, Congressional Research Service (Oct. 18, 2016), <https://fas.org/sgp/crs/misc/RL30030.pdf>; Jonathan L. Ramseur, *Wastewater Infrastructure: Overview, Funding, and Legislative Developments*, Congressional Research Service (May 22, 2018), <https://fas.org/sgp/crs/misc/R44963.pdf>.

<sup>131</sup> 42 U.S.C. 300j-12.

<sup>132</sup> Environmental Protection Agency, *Drinking Water State Revolving Fund Eligibility Handbook*, (June 2017), [https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_version.pdf](https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf); Environmental Protection Agency, *Drinking Water*

<sup>124</sup> Treasury notes that using funds to support or oppose collective bargaining would not be included as part of "necessary investments in water, sewer, or broadband infrastructure."

the DWSRF provides States with the flexibility to meet the needs of their populations.<sup>133</sup> The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.<sup>134</sup> In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.<sup>135</sup>

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the interim final rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards.<sup>136</sup> The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the interim final rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID-19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.<sup>137</sup> Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to “assist systems most in need on a per household basis according to state affordability criteria” would also have the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.<sup>138</sup>

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also

support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly, projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

*Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?*

*Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, underserved, or rural communities? How do these projects differ from DWSRF and CWSRF eligible projects?*

*Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.*

*Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible*

Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), [https://www.epa.gov/sites/production/files/2018-10/documents/corrected\\_sixth\\_drinking\\_water\\_infrastructure\\_needs\\_survey\\_and\\_assessment.pdf](https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf).

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> 42 U.S.C. 300j-12(b)(3)(A).

<sup>136</sup> Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021); 42 U.S.C. 300j-12.

<sup>137</sup> House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), <https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief>.

<sup>138</sup> Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), [https://www.epa.gov/sites/production/files/2019-11/documents/fact\\_sheet\\_-\\_dwsrf\\_overview\\_final\\_0.pdf](https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf); Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, <https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations> (last visited Apr. 30, 2020).

infrastructure under the interim final rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

## 2. Broadband Infrastructure

The COVID-19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband internet access service for every facet of daily life including work, study, and healthcare.<sup>139</sup> With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.<sup>140</sup> By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure

exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).<sup>141</sup> There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.<sup>142</sup> Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.<sup>143</sup>

The interim final rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the interim final rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the interim final rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to

a minimum of 100 Mbps symmetrical for download and upload speeds.<sup>144</sup> In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.<sup>145</sup> In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017<sup>146</sup> and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,<sup>147</sup> attributable, in part to a shift to using broadband and the internet by individuals and businesses

<sup>139</sup> See, e.g., <https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show>; <https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show>; and generally, <https://www.ntia.gov/data/digital-nation-data-explorer>.

<sup>140</sup> As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, <https://broadbandmap.fcc.gov/#/> (last visited May 9, 2021).

<sup>141</sup> How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, available at <https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide>.

<sup>142</sup> See, e.g., Federal Communications Commission, Fourteenth Broadband Deployment Report, available at <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf>.

<sup>143</sup> See, e.g., Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), <https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx>; Kansas Office of Broadband Development, Broadband Acceleration Grant, <https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf> (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), [https://www.nysac.org/files/BroadbandUpdateReport2017\(1\).pdf](https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf).

<sup>144</sup> This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

<sup>145</sup> Federal Communications Commission, Broadband Speed Guide, <https://www.fcc.gov/consumers/guides/broadband-speed-guide> (last visited Apr. 30, 2021).

<sup>146</sup> Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19-126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, available at <https://ecfsapi.fcc.gov/file/101030085118517/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf>. Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide*, Apr. 29, 2021.

<sup>147</sup> *Id.* See also United States's Mobile and Broadband internet Speeds—Speedtest Global Index, available at <https://www.speedtest.net/global-index/united-states#fixed>.

to create and share content using video sharing, video conferencing, and other applications.<sup>148</sup>

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.<sup>149</sup> As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.<sup>150</sup> For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others.<sup>151</sup> These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of 383.8

<sup>148</sup> *Id.*

<sup>149</sup> One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

<sup>150</sup> See, e.g., Zoom, System Requirements for Windows, macOS, and Linux, [https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h\\_d278c327-e03d-4896-b19a-96a8f3c0c69c](https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c) (last visited May 8, 2021).

<sup>151</sup> By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. *Reviews.org*: What is Symmetrical internet? (March 2020).

gigabytes.<sup>152</sup> OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent—from 19 gigabytes to 31 gigabytes—between December, 2019 and December, 2020.<sup>153</sup> According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.<sup>154</sup>

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and 20 Mbps upload being included in the “above baseline” performance tier set by the FCC.<sup>155</sup> The Broadband Infrastructure Program (BBIP)<sup>156</sup> of the Department of Commerce, which provides Federal funding to deploy broadband

<sup>152</sup> OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), available at <https://openvault.com/ovbi-covid-19-drove-15-increase-in-broadband-traffic-in-2020>; See OpenVault’s data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4*, Quarterly Advisory (Feb. 10, 2021), available at <https://openvault.com/complimentary-report-4q20/>.

<sup>153</sup> OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 2020), available at <https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/>; Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity*, available at <https://openvault.com/upstream-whitepaper/>.

<sup>154</sup> Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), <https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls> [www.oecd.org/sti/broadband-statistics](https://www.oecd.org/sti/broadband/broadband-statistics).

<sup>155</sup> *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), available at <https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0>.

<sup>156</sup> The BBIP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116–260, 134 Stat. 1182 (Dec. 27, 2020).

infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.<sup>157</sup>

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the interim final rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the interim final rule, eligible projects are expected to focus on locations that are unserved or underserved. The interim final rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC’s benchmark for an “advanced telecommunications capability.”<sup>158</sup> This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC’s RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.<sup>159</sup> The Department of Commerce’s BBIP also considers households to be “unserved” generally if they lack access to broadband service

<sup>157</sup> Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

<sup>158</sup> *Deployment Report*, *supra* note 142.

<sup>159</sup> *Rural Digital Opportunity Fund*, *supra* note 156.

with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

*Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?*

*Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?*

*Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?*

*Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?*

*Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?*

### III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds . . . 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 that reduces any tax . . . or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These

four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID-19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The interim final rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

#### A. Deposit Into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for "deposit into any pension fund." For the reasons discussed below, Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance 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.

Under this interpretation, 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.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID-19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of "deposit" to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans

(Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees' covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

*Question 27: Beyond a "deposit" and a "payroll contribution," are there other types of payments into a pension fund that Treasury should consider?*

#### B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments<sup>160</sup>), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation<sup>161</sup> during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. See Section IV of this **SUPPLEMENTARY INFORMATION**. As discussed below Section IV of this **SUPPLEMENTARY INFORMATION**, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The interim final rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—

*i.e.*, cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision.

The interim final rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (*e.g.*, an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the interim final rule's approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State's or territory's covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is

offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the interim final rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to "pay for" with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).

- Second, the interim final rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.

- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.

- Fourth, if the recipient government's actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:

- State or territory tax changes that would increase any source of general

<sup>160</sup>In this sub-section, "recipient governments" refers only to States and territories. In other sections, "recipient governments" refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

<sup>161</sup>For brevity, referred to as "changes in law, regulation, or interpretation" for the remainder of this preamble.

fund revenue, such as a change that would increase a tax rate; and

- Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government's actual tax revenue shortfall relative to the baseline (*i.e.*, fiscal year 2019 tax revenue adjusted for inflation). This “revenue reduction cap,” together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

- Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this

#### **SUPPLEMENTARY INFORMATION.**

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The interim final rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. See Section IV of this **SUPPLEMENTARY INFORMATION.**

The interim final rule includes several definitions that are applicable to the implementation of the offset provision.

**Covered change.** The offset provision is triggered by a reduction in net tax revenue resulting from “a change in law, regulation, or administrative interpretation.” A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute

or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal Government's expansion of the EITC in the ARPA.<sup>162</sup> This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

**Baseline.** For purposes of measuring a reduction in net tax revenue, the interim final rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.<sup>163</sup>

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID–

19 public health emergency.<sup>164</sup> This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the “most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency” as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,<sup>165</sup> suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

**Reporting year.** The interim final rule defines “reporting year” as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases (“in-year” value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term “reporting year” refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

**Tax revenue.** The interim final rule's definition of “tax revenue” is based on the Census Bureau's definition of taxes, used for its Annual Survey of State Government Finances.<sup>166</sup> It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this **SUPPLEMENTARY INFORMATION** describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this **SUPPLEMENTARY INFORMATION**, tax

<sup>164</sup> Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. See section 602(c)(1)(C).

<sup>165</sup> Congressional Budget Office, An Overview of the Economic Outlook: 2021 to 2031 (February 1, 2021), available at <https://www.cbo.gov/publication/56965>.

<sup>166</sup> U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, <https://www.census.gov/programs-surveys/state/about/glossary.html> (last visited Apr. 30, 2021).

<sup>162</sup> See, e.g., Tax Policy Center, How do state earned income tax credits work?, <https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/> (last visited May 9, 2021).

<sup>163</sup> U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, <https://www.bea.gov/data/prices-inflation/gdp-price-deflator> (last visited May 9, 2021).

revenue does not include revenue taxed and collected by a different unit of government (e.g., revenue from taxes levied by a local government and transferred to a recipient government).

*Framework.* The interim final rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State's or territory's use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States

and territories already consider tax changes.<sup>167</sup>

(2) *In excess of the de minimis.* The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step 1. If the total value of the revenue reductions resulting from these changes is below the de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.<sup>168</sup> The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor.* The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that

such funds are used to offset a reduction in net tax revenue. If net tax revenue has not been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the interim final rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the interim final rule considers the department, agency, or

<sup>167</sup> See, e.g., Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), available at [https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states\\_1.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf).

<sup>168</sup> Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004–2017.

authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an

offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to “indirectly” offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.

(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.<sup>169</sup> In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by \$1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth \$500 million, it need only pay for the remaining \$500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this

<sup>169</sup> This cap is applied in § 35.8(c) of the interim final rule, calculating the amount of funds used in violation of the tax offset provision.

approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this **SUPPLEMENTARY INFORMATION**, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the interim final rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

*Question 28: Does the interim final rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.*

*Question 29: The interim final rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?*

*Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the interim final rule take into consideration differences in approaches? Please discuss the use of*

practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.

*Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?*

*Question 32: To implement the framework described above, the interim final rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.*

*Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the interim final rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the interim final rule?*

#### C. Other Restrictions on Use

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.<sup>170</sup>

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

#### D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.<sup>171</sup> The

definition of “incurred” does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID–19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The interim final rule adopts a definition of “obligation” that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID–19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).<sup>172</sup> As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to “respond to” the COVID–19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (e.g., average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (e.g., replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID–19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing

grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The interim final rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.<sup>173</sup>

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

#### IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.<sup>174</sup> The interim final rule implements these provisions by establishing a process for recoupment.

*Identification and Notice of Violations.* Failure to comply with the restrictions on use will be identified based on reporting provided by the

<sup>173</sup> Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

<sup>174</sup> Sections 602(e) and 603(e) of the Act.

<sup>170</sup> See 42 CFR 433.51 and 45 CFR 75.306.

<sup>171</sup> Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

<sup>172</sup> Sections 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

recipient. As discussed further in Sections III.B and VIII of this SUPPLEMENTARY INFORMATION, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

*Request for Reconsideration.* Under the interim final rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The interim final rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the interim final rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.<sup>175</sup> This process will allow the Secretary to respond to the

issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

*Repayment.* Finally, the interim final rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

*Question 34: Discuss the timeline for requesting reconsideration under the interim final rule. What, if any, challenges does this timeline present?*

#### V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this interim final rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (*i.e.*, February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this interim final rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.<sup>176</sup>

<sup>176</sup> With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements

Splitting payments to States into two tranches will help encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.<sup>177</sup> For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the interim final rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-

of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of Federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

<sup>177</sup> The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.*, Dave Altig et al., Economic uncertainty before and during the COVID-19 pandemic, *J. of Public Econ.* (Nov. 2020), available at <https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389>.

<sup>175</sup> The interim final rule also provides that Treasury may extend any deadlines.

pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.<sup>178</sup> Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021<sup>179</sup>) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

## VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan

cities, and nonentitlement units of local government are collectively referred to as "local governments") to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a "private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government."<sup>180</sup> Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The interim final rule clarifies that the lists of transferees in sections 602(c)(3) and 603(c)(3) are not exclusive. The interim final rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (*e.g.*, a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are "recipients." A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient's Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient's use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and

regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients' use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID-19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county's goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

*Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?*

*Question 36: Are there alternative ways of defining "special-purpose unit of State or local government" and*

<sup>178</sup> Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions> (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/UNRATE> (last visited Apr. 27, 2021).

<sup>179</sup> U.S. Bureau of Labor Statistics, Economic News Release—Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, <https://www.bls.gov/news.release/laus.t01.htm> (last visited Apr. 30, 2021).

<sup>180</sup> Section 602(c)(3) of the Act.

*“public benefit corporation” that would better further the aims of the Funds?*

## VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for \$19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal Government during the COVID-19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The interim final rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury’s implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU’s use of Fiscal Recovery Funds based on the NEU’s proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU’s distribution. Further, States and territories may not provide funding on a reimbursement basis—*e.g.*, requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for

complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU’s most recent budget. The most recent budget is defined as the NEU’s most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the interim final rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on distributions to such units of general local government, beyond those required by the ARPA and Treasury’s implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (*e.g.*, a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government’s NEU allocation under section 603(b)(2) but not to the consolidated government’s county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local

government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(i)(I). Additional extensions may be granted at the discretion of the Secretary.

*Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?*

*Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?*

## VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient’s expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient’s utilization of the award funds. The reports will include the same general data (*e.g.*, on obligations, expenditures, contracts, grants, and subawards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021, and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit

annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, Recovery Plan Performance reports will cover a 12-month period, and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022, and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

## IX. Comments and Effective Date

This interim final rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As

discussed below, the requirements of advance notice and public comment do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.”<sup>181</sup> The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”<sup>182</sup> This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this interim final rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the interim final rule.

These comments must be submitted on or before July 16, 2021.

## X. Regulatory Analyses

### *Executive Orders 12866 and 13563*

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID-19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID-19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is “significant” and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory

action as an action likely to result in a rule that may:

(1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as “economically significant” regulations);

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles stated in the Executive order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

(1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;

(3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency “to use the best available

<sup>181</sup> 5 U.S.C. 553(a)(2).

<sup>182</sup> 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”).

techniques to quantify anticipated present and future benefits and costs as accurately as possible.” OMB’s Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may include “identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes.”

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this interim final rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this interim final rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

*Need for Regulatory Action.* This interim final rule implements the \$350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID-19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this interim final rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress’ mandate for targeted fiscal relief.

This interim final rule is primarily a transfer rule: It transfers \$350 billion in aid from the Federal Government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond

to local needs; and limiting administrative burdens.

*Analysis of Benefits.* Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined \$350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID-19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.<sup>183</sup> Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007–09 recession.<sup>184</sup>

This interim final rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: Strengthening the response to the COVID-19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the interim final rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

<sup>183</sup> Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, *American Econ. J.: Econ. Policy*, 4:3 118–45 (Aug. 2012), available at <https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118>.

<sup>184</sup> See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

These benefits are achieved in the interim final rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients’ overall flexibility, the interim final rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury’s approach to key provisions in the interim final rule will contribute to greater realization of benefits from the program.

- *Revenue Loss:* Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury’s decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients’ pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will 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, Treasury’s approach provides a more accurate representation of the effect of the pandemic on overall revenues.

- *Premium Pay:* Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the interim final rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker’s annual pay above a certain threshold. To set this threshold, Treasury analyzed data

from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the interim final rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The interim final rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of financial resources for those who have endured the heightened risk of performing essential work.

- *Withholding of Payments to Recipients:* Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment. Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.

- *Hiring Public Sector Employees:* The interim final rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the interim final rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need,

particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID-19 crisis. Targeting relief is in line with Executive Order 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” which laid out an Administration-wide priority to support “equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.”<sup>185</sup> To this end, the interim final rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented;<sup>186</sup> and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

*Analysis of Costs.* This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal Government programs and that many

<sup>185</sup> Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021) (86 FR 7009, January 25, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> (last visited May 9, 2021).

<sup>186</sup> David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, <https://www.epi.org/publication/bp339-public-sector-jobs-crisis> (last visited May 9, 2021).

have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments—along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this interim final rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

#### *Executive Order 13132*

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This interim final rule does not have federalism implications within the meaning of the Executive order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive order. The compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the interim final rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

#### *Administrative Procedure Act*

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires public notice and an opportunity for comment before a rule

becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.” The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus “both clearly and directly related to a federal grant program.” *National Wildlife Federation v. Snow*, 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the “process necessary to maintain state . . . eligibility for federal funds,” *id.*, as well as the “method[s] by which states can . . . qualify for federal aid,” and other “integral part[s] of the grant program,” *Center for Auto Safety v. Tiemann*, 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553’s requirements. The ARPA is a law responding to a historic economic and

public health emergency; it is “extraordinary” legislation about which “both Congress and the President articulated a profound sense of ‘urgency.’” *Petry v. Block*, 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this interim final rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to “respond to the public health emergency,” and the urgency is further exemplified by Congress’s command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, “[t]o the extent practicable,” funds must be provided to Tribes and cities “not later than 60 days after the date of enactment.” *See Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been “virtually impossible”). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA “covered period” began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

*Congressional Review Act*

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the

Congressional Review Act or CRA) (5 U.S.C. 804(2) *et seq.*). Under the CRA, a major rule takes effect 60 days after the rule is published in the **Federal Register**. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

*Paperwork Reduction Act*

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (*e.g.*, payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. chapter 35) (PRA) emergency processing procedures and assigned control number 1505–0271. The information collections related to ongoing reporting requirements, as discussed in this interim final rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.

Reporting	Number of respondents (estimated)	Number of responses per respondent	Total responses	Hours per response	Total burden in hours	Cost to respondent (\$48.80 per hour*)
Recipient Payment Form .....	5,050	1 .....	5,050	.25 (15 minutes) ...	1,262.5	\$61,610
Acceptance of Award Terms .....	5,050	1 .....	5,050	.25 (15 minutes) ...	1,262.5	61,610
Title VI Assurances .....	5,050	1 .....	5,050	.50 (30 minutes) ...	2,525	123,220
Quarterly Project and Expenditure Report.	5,050	4*** .....	20,200	25 .....	505,000	24,644,000
Annual Project and Expenditure Report from NEUs.	TBD	1 per year .....	†20,000–40,000	15 .....	300,000–600,000	14,640,000–29,280,000
Annual Recovery Plan Performance report.	418	1 per year .....	418	100 .....	41,800	2,039,840
Total .....	(**)	N/A .....	55,768–75,768	141 .....	851,850–1,151,850	41,570,280–56,210,280

\*Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the internet at <https://www.bls.gov/oooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of \$48.80.

\*\*5,050–TBD.  
\*\*\*Per year after first year.  
† (Estimate only).

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the interim final rule.

As discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, recipients of Fiscal Recovery Funds will be required to submit one interim report

and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August

31, 2021. The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year. States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including:

- Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility;
- the accuracy of the estimate of the burden of the collection of information;
- ways to enhance the quality, utility, and clarity of the information to be collected;
- ways to minimize the burden of the collection of information;
- and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the [www.regulations.gov](http://www.regulations.gov) docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to [oira\\_submission@omb.eop.gov](mailto:oira_submission@omb.eop.gov).

#### Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule

pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

#### List of Subjects in 31 CFR Part 35

Executive compensation, Public health emergency, State and local governments, Tribal governments.

For the reasons stated in the preamble, the Department of the Treasury amends 31 CFR part 35 as follows:

### PART 35—PANDEMIC RELIEF PROGRAMS

■ 1. The authority citation for part 35 is revised to read as follows:

**Authority:** 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Division N, Title V, Subtitle B, Pub. L. 116–260, 134 Stat. 1182; Section 104A, Pub. L. 103–325, 108 Stat. 2160, as amended (12 U.S.C. 4701 *et seq.*); Pub. L. 117–2, 135 Stat. 4 (42 U.S.C. 802 *et seq.*).

■ 2. Revise the part heading to read as set forth above.

■ 3. Add subpart A to read as follows:

#### Subpart A—Coronavirus State and Local Fiscal Recovery Funds

Sec.

- 35.1 Purpose.
- 35.2 Applicability.
- 35.3 Definitions.
- 35.4 Reservation of authority, reporting.
- 35.5 Use of funds.
- 35.6 Eligible uses.
- 35.7 Pensions.
- 35.8 Tax.
- 35.9 Compliance with applicable laws.
- 35.10 Recoupment.
- 35.11 Payments to States.
- 35.12 Distributions to nonentitlement units of local government and units of general local government.

#### § 35.1 Purpose.

This subpart implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Pub. L. 117–2), which amends Title VI of the Social Security Act (42 U.S.C. 801 *et*

*seq.*) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

#### § 35.2 Applicability.

This subpart applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

#### § 35.3 Definitions.

As used in this subpart:

*Baseline* means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

*County* means a county, parish, or other equivalent county division (as defined by the Census Bureau).

*Covered benefits* include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

*Covered change* means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

*Covered period* means, with respect to a State, Territory, or Tribal government, the period that:

- Begins on March 3, 2021; and
- Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

*COVID–19* means the Coronavirus Disease 2019.

*COVID–19 public health emergency* means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID–19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 *et seq.*).

*Deposit* means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

*Eligible employer* means an employer of an eligible worker who performs essential work.

*Eligible workers* means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID-19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

*Essential work* means work that:

- (1) Is not performed while teleworking from a residence; and
- (2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

*Funds* means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

*General revenue* means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal Government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

*Intergovernmental transfers* means money received from other governments, including grants and shared taxes.

*Metropolitan city* has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

*Net reduction in total spending* is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

*Nonentitlement unit of local government* means a "city," as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

*Nonprofit* means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

*Obligation* means an order placed for property and services and entering into

contracts, subawards, and similar transactions that require payment.

*Pension fund* means a defined benefit plan and does not include a defined contribution plan.

*Premium pay* means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID-19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to \$13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker's previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to \$13 that is in addition to the eligible worker's regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers' current and prospective wages or remuneration.

*Qualified census tract* has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

*Recipient* means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

*Reporting year* means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

*Secretary* means the Secretary of the Treasury.

*State* means each of the 50 States and the District of Columbia.

*Small business* means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates; and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

*Tax revenue* means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

*Territory* means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

*Tribal enterprise* means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

*Tribal government* means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

*Unemployment rate* means the U–3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

*Unemployment trust fund* means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

*Unit of general local government* has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

*Unserved and underserved households or businesses* means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

#### § 35.4 Reservation of authority, reporting.

(a) *Reservation of authority.* Nothing in this subpart shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this subpart, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

#### § 35.5 Use of funds.

(a) *In general.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable, including those enumerated in section § 35.6, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

#### § 35.6 Eligible uses.

(a) *In general.* Subject to §§ 35.7 and 35.8, a recipient may use funds for one or more of the purposes described in paragraphs (b) through (e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID–19 response and prevention.* Expenditures for the mitigation and prevention of COVID–19, including:

(i) Expenses related to COVID–19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID–19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID–19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(vi) Costs of providing COVID–19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID–19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID–19-related treatment;

(ix) Expenses for communication related to COVID–19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID–19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in

response to the COVID-19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID-19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public health and safety staff.*

Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID-19 public health emergency.

(3) *Hiring State and local government staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to unemployed workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work.

(5) *Contributions to State unemployment insurance trust funds.* Contributions to an unemployment trust fund up to the level required to restore the unemployment trust fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021.

(6) *Small businesses.* Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency.

(7) *Nonprofits.* Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance

or other services, that responds to the negative economic impacts of the COVID-19 public health emergency.

(8) *Assistance to households.*

Assistance programs, including cash assistance programs, that respond to the COVID-19 public health emergency.

(9) *Aid to impacted industries.* Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID-19 public health emergency.

(10) *Expenses to improve efficacy of public health or economic relief programs.* Administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's benefits.* Benefits for the surviving family members of individuals who have died from COVID-19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID-19.

(12) *Disproportionately impacted populations and communities.* A program, service, or other assistance that is provided in a qualified census tract, that is provided to households and populations living in a qualified census tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency, such as:

(i) Programs or services that facilitate access to health and social services, including:

(A) Assistance accessing or applying for public benefits or services;

(B) Remediation of lead paint or other lead hazards; and

(C) Community violence intervention programs;

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:

(A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;

(B) Development of affordable housing to increase supply of affordable and high-quality living units; and

(C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;

(iii) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, including:

(A) New or expanded early learning services;

(B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and

(C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students; and

(iv) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including:

(A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing premium pay to eligible workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID-19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID-19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing government services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (2) of this section.

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t; 0 \}$$

Where:

*Base Year Revenue* is the recipient's general revenue for the most recent full fiscal year prior to the COVID-19 public health emergency;

*Growth Adjustment* is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

*n* equals the number of months elapsed from the end of the base year to the calculation date.

*Actual General Revenue* is a recipient's actual general revenue collected during 12-month period ending on each calculation date;

Subscript *t* denotes the specific calculation date.

(e) *To make necessary investments in infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(i) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or

(ii) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(i) of this section:

(A) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(B) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

### § 35.7 Pensions.

A recipient may not use funds for deposit into any pension fund.

### § 35.8 Tax.

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory

resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the de minimis threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in net tax revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of other changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and revenue reduction cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i) and (ii).

### § 35.9 Compliance with applicable laws.

A recipient must comply with all other applicable Federal statutes, regulations, and Executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

### § 35.10 Recoupment.

(a) *Identification of violations—(1) In general.* Any amount used in violation of § 35.5, § 35.6, or § 35.7 may be identified at any time prior to December 31, 2026.

(2) *Annual reporting of amounts of violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8.

(b) *Calculation of amounts subject to recoupment—(1) In general.* Except as provided in paragraph (b)(2) of this section, Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.5, § 35.6, or § 35.7 as the amounts used in violation of such restrictions.

(2) *Violations of § 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8, equal to the lesser of:

(i) The amount set forth in § 35.8(c); and,

(ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

(1) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and

(2) A discussion of supporting reasons, along with any additional information.

(e) *Final amount subject to recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(1) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the

requirements of paragraph (d) of this section; or

(2) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

#### **§ 35.11 Payments to States.**

(a) *In general.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of withheld amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:

(1) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(2) Any reports required to be filed by that date pursuant to this subpart that have not yet been filed.

#### **§ 35.12 Distributions to nonentitlement units of local government and units of general local government.**

(a) *Nonentitlement units of local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance

with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this paragraph (b).

(c) *Units of general local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an amount to be paid to a county that is not a unit of general local government, shall distribute the amount of the payment to units of general local government within such county in accordance with the requirements set forth in section 603(b)(3)(B)(ii) of the Social Security Act and without offsetting any debt owed by such units of general local government against such payments.

(d) *Additional conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

**Laurie Schaffer,**

*Acting General Counsel.*

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# Compliance and Reporting Guidance

## State and Local Fiscal Recovery Funds



*June 24, 2021*

*Version: 1.1*



# Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

This guidance provides additional detail and clarification for each recipient’s compliance and reporting responsibilities under the SLFRF program, and should be read in concert with the Award Terms and Conditions, the authorizing statute, the [SLFRF implementing regulation](#), and other regulatory and statutory requirements, including regulatory requirements under [the Uniform Guidance \(2 CFR Part 200\)](#). Please see the [Assistance Listing](#) in SAM.gov under assistance listing number (formerly known as CFDA number), 21.027 for more information.

**Please Note:** This guidance document applies to the SLFRF program only and does not change nor impact reporting and compliance requirements for the Coronavirus Relief Fund (“CRF”) established by the CARES Act.

This guidance includes two parts:

## Part 1: General Guidance

This section provides an orientation to recipients’ compliance responsibilities and the U.S. Department of the Treasury’s (“Treasury”) expectations and recommends best practices where appropriate under the SLFRF Program.

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## Part 1: General Guidance

This section provides an orientation on recipients' compliance responsibilities and Treasury's expectations and recommended best practices where appropriate under the SLFRF program.

Recipients under the SLFRF program are the eligible entities identified in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (the "SLFRF statute") that receive a SLFRF award. Subrecipients under the SLFRF program are entities that receive a subaward from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient.

Recipients are accountable to Treasury for oversight of their subrecipients, including ensuring their subrecipients comply with the SLFRF statute, SLFRF Award Terms and Conditions, Treasury's Interim Final Rule, and reporting requirements, as applicable.

### A. Key Principles

There are several guiding principles for developing your own effective compliance regimes:

- Recipients and subrecipients are the first line of defense, and responsible for ensuring the SLFRF award funds are not used for ineligible purposes, and there is no fraud, waste, and abuse associated with their SLFRF award;
- Many SLFRF-funded projects respond to the COVID-19 public health emergency and meet urgent community needs. Swift and effective implementation is vital, and recipients must balance facilitating simple and rapid program access widely across the community and maintaining a robust documentation and compliance regime;
- SLFRF-funded projects should advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities, as outlined in [Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#); and
- Transparency and public accountability for SLFRF award funds and use of such funds are critical to upholding program integrity and trust in all levels of government, and SLFRF award funds should be managed consistent with Administration guidance per [Memorandum M-21-20](#) and [Memorandum M-20-21](#).

### B. Statutory Eligible Uses

As a recipient of an SLFRF award, your organization has substantial discretion to use the award funds in the ways that best suit the needs of your constituents – as long as such use fits into one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

Treasury adopted an [Interim Final Rule](#) to implement these eligible use categories and other restrictions on the use of funds under the SLFRF program.<sup>1</sup> It is the recipient's responsibility to ensure all SLFRF award funds are used in compliance with these requirements. In addition, recipients should be mindful of any additional compliance obligations that may apply – for example, additional restrictions imposed upon other sources of funds used in conjunction with SLFRF award funds, or statutes and regulations that may independently apply to water, broadband, and sewer infrastructure projects. Recipients should ensure they maintain proper documentation supporting determinations of costs and applicable compliance requirements, and how they have been satisfied as part of their award management, internal controls, and subrecipient oversight and management.

### C. Treasury's Rule

Treasury's [Interim Final Rule](#) details recipients' compliance responsibilities and provides additional information on eligible and restricted uses of SLFRF award funds and reporting requirements. Your organization should review and comply with the information contained in Treasury's Interim Final Rule, and any subsequent final rule when building appropriate controls for SLFRF award funds.

**1. Eligible and Restricted Uses of SLFRF Funds.** As described in the SLFRF statute and summarized above, there are four enumerated eligible uses of SLFRF award funds. As a recipient of an award under the SLFRF program, your organization is responsible for complying with requirements for the use of funds. In addition to determining a given project's eligibility, recipients are also responsible for determining subrecipient's or beneficiaries' eligibility and must monitor use of SLFRF award funds.

To help recipients build a greater understanding of eligible uses, Treasury's Interim Final Rule establishes a framework for determining whether a specific project would be eligible under the SLFRF program, including some helpful definitions. For example, Treasury's Interim Final Rule establishes:

- A framework for determining whether a project “responds to” a “negative economic impact” caused by the COVID-19 public health emergency;
- Definitions of “eligible employers”, “essential work,” “eligible workers”, and “premium pay” for cases where premium pay is an eligible use;
- A definition of “general revenue” and a formula for calculating revenue lost due to the COVID-19 public health emergency;
- A framework for eligible water and sewer infrastructure projects that aligns eligible uses with projects that are eligible under the Environmental Protection Agency's Drinking Water and Clean Water State Revolving Funds; and
- A framework for eligible broadband projects designed to provide service to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth.

Treasury's Interim Final Rule also provides more information on four important restrictions on use of SLFRF award funds: recipients may not deposit SLFRF funds into a pension fund; recipients that are States or territories may not use SLFRF funds to offset a reduction in net tax revenue caused by the recipient's change in law, regulation, or administrative

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<sup>1</sup> Treasury's Interim Final Rule is effective as of May 17, 2021, and public comments are due July 16, 2021. This guidance may be clarified consistent with the final rule.  
<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>



interpretation; and, recipients may not use SLFRF funds as non-Federal match where prohibited. In addition, the Interim Final Rule clarifies certain uses of SLFRF funds outside the scope of eligible uses, including that recipients generally may not use SLFRF funds directly to service debt, satisfy a judgment or settlement, or contribute to a “rainy day” fund. Recipients should refer to Treasury’s Interim Final Rule for more information on these restrictions.

2. **Eligible Costs Timeframe.** Your organization, as a recipient of an SLFRF award, may use SLFRF funds to cover eligible costs that your organization incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026. Costs for projects incurred by the recipient State, territorial, local, or Tribal government prior to March 3, 2021 are not eligible, as provided for in Treasury’s Interim Final Rule.

Recipients may use SLFRF award funds to provide assistance to households, businesses, and individuals within the eligible use categories described in Treasury’s Interim Final Rule for costs that those households, businesses and individuals incurred prior to March 3, 2021. For example,

- a. **Public Health/Negative Economic Impacts:** Recipients may use SLFRF award funds to provide assistance to households – such as rent, mortgage, or utility assistance – for costs incurred by the household prior to March 3, 2021, provided that the recipient State, territorial, local or Tribal government did not incur the cost of providing such assistance prior to March 3, 2021.
- b. **Premium Pay:** Recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be “in addition to” wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021.
- c. **Revenue Loss:** Treasury’s Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. While calculation of lost revenue begins with the recipient’s revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
- d. **Investments in Water, Sewer, and Broadband:** Recipients may use SLFRF award funds to make necessary investments in water, sewer, and broadband. Recipients may use SLFRF award funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the SLFRF award funds were incurred after March 3, 2021.

Any funds not obligated or expended for eligible uses by the timelines above must be returned to Treasury, including any unobligated or unexpended funds that have been provided to subrecipients and contractors. For the purposes of determining expenditure eligibility, Treasury’s Interim Final Rule provides that “incurred” has the same meaning given to “financial obligation” in 2 CFR § 200.1.

3. **Reporting.** Generally, recipients must submit one initial interim report, quarterly or annual Project and Expenditure reports which include subaward reporting, and in some cases annual Recovery Plan reports. Treasury’s Interim Final Rule and Part 2 of this guidance provide more detail around SLFRF reporting requirements.



## Assistance Listing

The [Assistance Listing](#) for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was published May 28, 2021 on SAM.gov under Assistance Listing Number (“ALN”), formerly known as CFDA Number, **21.027**.

The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The ALN is the unique 5-digit number assigned to identify a federal assistance listing, and can be used to search for federal assistance program information, including funding opportunities, spending on USASpending.gov, or audit results through the Federal Audit Clearinghouse.

To expedite payments and meet statutory timelines Treasury issued initial payments under an existing ALN, 21.019, assigned to the CRF. If you have already received funds or captured the initial number in your records, please update your systems and reporting to reflect the new ALN 21.027 for the SLFRF program. **Recipients must use ALN 21.027 for all financial accounting, subawards, and associated program reporting requirements for the SLFRF awards.**

### D. Uniform Administrative Requirements

The SLFRF awards are generally subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, [2 CFR Part 200](#) (the “Uniform Guidance”). In all instances, your organization should review the Uniform Guidance requirements applicable to your organization’s use of SLFRF funds, and SLFRF-funded projects. Recipients should consider how and whether certain aspects of the Uniform Guidance apply.

The following sections provide a general summary of your organization’s compliance responsibilities under applicable statutes and regulations, including the Uniform Guidance, as described in the [2020 OMB Compliance Supplement Part 3. Compliance Requirements \(issued August 18, 2020\)](#). Note that the descriptions below are only general summaries and all recipients and subrecipients are advised to carefully review the Uniform Guidance requirements and any additional regulatory and statutory requirements applicable to the program.

- 1. Allowable Activities.** Each recipient should review program requirements, including Treasury’s Interim Final Rule and the recipient’s Award Terms and Conditions, to determine and record eligible uses of SLFRF funds. Per 2 CFR 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds, and document determinations.
- 2. Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.



SLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. Note that SLFRF Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.<sup>2</sup>

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed, or not in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

- a. **Administrative costs:** Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.<sup>3</sup> Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office.<sup>45</sup> Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).
- b. **Salaries and Expenses:** In general, certain employees' wages, salaries, and covered benefits are an eligible use of SLFRF award funds. Please see Treasury's Interim Final Rule for details.

3. **Cash Management.** SLFRF payments made to recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)-(9).

As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

4. **Eligibility.** Under this program, recipients are responsible for ensuring funds are used for eligible purposes. Generally, recipients must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for

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<sup>2</sup> See 42 CFR 433.51 and 45 CFR 75.306.

<sup>3</sup> Recipients also may use SLFRF funds directly for administrative costs to improve efficacy of programs that respond to the COVID-19 public health emergency. 31 CFR 35.6(b)(10).

<sup>4</sup> 2 CFR 200.413 Direct Costs.

<sup>5</sup> 2 CFR 200.414 Indirect Costs.



determining the eligibility of beneficiaries and/or subrecipients. Your organization, and if applicable, the subrecipient(s) administering a program on behalf of your organization, will need to maintain procedures for obtaining information evidencing a given beneficiary, subrecipient, or contractor's eligibility including a valid SAM.gov registration. Implementing risk-based due diligence for eligibility determinations is a best practice to augment your organization's existing controls.

- 5. Equipment and Real Property Management.** Any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose. Consistent with 2 CFR 200.311 and 2 CFR 200.313, any equipment or real property acquired using SLFRF funds shall vest in the non-Federal entity. Any acquisition and maintenance of equipment or real property must also be in compliance with relevant laws and regulations.
- 6. Matching, Level of Effort, Earmarking.** There are no matching, level of effort, or earmarking compliance responsibilities associated with the SLFRF award. SLFRF funds may only be used for non-Federal match in other programs where costs are eligible under both SLFRF and the other program and use of such funds is not prohibited by the other program.
- 7. Period of Performance.** Your organization should also develop and implement internal controls related to activities occurring outside the period of performance. For example, each recipient should articulate each project's policy on allowability of costs incurred prior to award or start of the period of performance. All funds remain subject to statutory requirements that they must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024 must be expended by December 31, 2026. Any funds not used must be returned to Treasury.
- 8. Procurement, Suspension & Debarment.** Recipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate.<sup>6</sup> Recipients must have and use documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including maintaining written standards of conduct and prohibitions on dealing with suspended or debarred parties. Your organization must ensure adherence to all applicable local, State, and federal procurement laws and regulations.
- 9. Program Income.** Generally, program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards and principal and interest on loans made with Federal award funds. Program income does not include interest earned on advances of Federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts. Recipients of SLFRF funds

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<sup>6</sup> 2 CFR 200.320(c)(1)-(3) and (5)



should calculate, document, and record the organization's program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records.

The Uniform Guidance outlines the requirements that pertain to program income at 2 CFR 200.307. Treasury intends to provide additional guidance regarding program income and the application of 2 CFR 200.307(e)(1), including with respect to lending programs.

**10. Reporting.** All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

In addition, where appropriate, your organization needs to establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. See Part 2 of this guidance for a full overview of recipient reporting responsibilities.

**11. Subrecipient Monitoring.** SLFRF recipients that are pass-through entities as defined under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

First, your organization must clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

Next, your organization will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

Accordingly, your organization should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

**12. Special Tests and Provisions.** Treasury has set a deadline of July 16, 2021, for receipt of public comment on its Interim Final Rule and will adopt a final rule responding to these comments. In addition, Treasury may add clarifications to the implementing guidance.

Across each of the compliance requirements above, Treasury described some best practices for development of internal controls. The table below provides a brief description and example of each best practice.

**Table 1: Internal controls best practices**

Best Practice	Description	Example
<b>Written policies and procedures</b>	Formal documentation of recipient policies and procedures	Documented procedure for determining worker eligibility for premium pay
<b>Written standards of conduct</b>	Formal statement of mission, values, principles, and professional standards	Documented code of conduct / ethics for subcontractors
<b>Risk-based due diligence</b>	Pre-payment validations conducted according to an assessed level of risk	Enhanced eligibility review of subrecipient with imperfect performance history
<b>Risk-based compliance monitoring</b>	Ongoing validations conducted according to an assessed level of risk	Higher degree of monitoring for projects that have a higher risk of fraud, given program characteristics
<b>Record maintenance and retention</b>	Creation and storage of financial and non-financial records.	Storage of all subrecipient payment information.

## E. Award Terms and Conditions

The Award Terms and Conditions of the SLFRF financial assistance agreement sets forth the compliance obligations for recipients pursuant to the SLFRF statute, the Uniform Guidance, and Treasury’s Interim Final Rule. Recipients should ensure they remain in compliance with all Award Terms and Conditions. These obligations include the following items in addition to those described above:

- 1. SAM.gov Requirements.** All eligible recipients are also required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>). To ensure timely receipt of funding, Treasury has stated that Non-entitlement Units of Government (NEUs) who have not previously registered with SAM.gov may do so after receipt of the award, but before the submission of mandatory reporting.<sup>7</sup>
- 2. Recordkeeping Requirements.** Generally, your organization must maintain records and financial documents for five years after all funds have been expended or returned to Treasury, as outlined in paragraph 4.c. of the Award Terms and Conditions. Treasury may request transfer of records of long-term value at the end of such period. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.  
  
Your organization must agree to provide or make available such records to Treasury upon request, and to any authorized oversight body, including but not limited to the Government Accountability Office (“GAO”), Treasury’s Office of Inspector General (“OIG”), and the Pandemic Relief Accountability Committee (“PRAC”).
- 3. Single Audit Requirements.** Recipients and subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.<sup>8</sup> Recipients and subrecipients may also refer to the [Office of](#)

<sup>7</sup> See flexibility provided in [https://www.whitehouse.gov/wp-content/uploads/2021/03/M\\_21\\_20.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/03/M_21_20.pdf).

<sup>8</sup> For-profit entities that receive SLFRF subawards are not subject to Single Audit requirements. However, they are subject to other audits as deemed necessary by authorized governmental entities, including Treasury, the GAO, the PRAC and the Treasury’s OIG.



[Management and Budget \(OMB\) Compliance Supplements for audits of federal funds and related guidance](#) and the [Federal Audit Clearinghouse](#) to see examples and single audit submissions.

- 4. Civil Rights Compliance.** Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, [Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42](#), provide for the collection of data and information from recipients (see 28 CFR 42.406). Treasury may request that recipients submit data for post-award compliance reviews, including information such as a narrative describing their Title VI compliance status.



## Part 2: Reporting Guidance

There are three types of reporting requirements for the SLFRF program.

- **Interim Report:** Provide initial overview of status and uses of funding. This is a one-time report. **See Section A, page 13.**
- **Project and Expenditure Report:** Report on projects funded, expenditures, and contracts and subawards over \$50,000, and other information. **See Section B, page 15.**
- **Recovery Plan Performance Report:** The Recovery Plan Performance Report (the “Recovery Plan”) will provide information on the projects that large recipients are undertaking with program funding and how they plan to ensure program outcomes are achieved in an effective, efficient, and equitable manner. It will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury. The Recovery Plan will be posted on the website of the recipient as well as provided to Treasury. **See Section C, page 23.**

**Table 2: Reporting requirements by recipient type**

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter <sup>9</sup>	By August 31, 2021, and annually thereafter by July 31 <sup>10</sup>
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding			Not required
Tribal Governments		By October 31, 2021, and then annually thereafter <sup>11</sup>	Not required
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding			
NEUs	Not required		

The remainder of this document describes these reporting requirements. A users’ guide will be provided with additional information on how and where to submit required reports.

<sup>9</sup> Interim Final Rule Page 111

<sup>10</sup> Interim Final Rule page 112

<sup>11</sup> Interim Final Rule Page 111



## Comparison to reporting for the CRF

This guidance does not change the reporting or compliance requirements pertaining to the CRF. Reporting and compliance requirements for the SLFRF are separate from CRF reporting requirements. Changes from CRF to SLFRF include:

- **Project, Expenditure, and Subaward Reporting:** The SLFRF reporting requirements leverage the existing reporting regime used for CRF to foster continuity and provide many recipients with a familiar reporting mechanism. The data elements for the Project and Expenditure Report will largely mirror those used for CRF, with some minor exceptions noted in this guidance. The users' guide will describe how reporting for CRF funds will relate to reporting for the SLFRF.
- **Timing of Reports:** CRF reports were due within 10 days of each calendar quarter. SLFRF quarterly reporting will be due 30 days from quarter end.
- **Program and Performance Reporting:** The CRF reporting did not include any program or performance reporting. To build public awareness and accountability and allow Treasury to monitor compliance with eligible uses, some program and performance reporting is required.

### A. Interim Report

States, U.S. territories, metropolitan cities, counties, and Tribal governments are required to submit a one-time interim report with expenditures<sup>12</sup> by Expenditure Category from the date of award to July 31, 2021. The recipient will be required to enter obligations<sup>13</sup> and expenditures and, for each, select the specific expenditure category from the available options. See Appendix 1 for Expenditure Categories (EC).

#### 1. Required Programmatic Data

Recipients will also be required to provide the following information if they have or plan to have expenditures in the following Expenditure Categories.

- a. **Revenue replacement (EC 6.1<sup>14</sup>):** Key inputs into the revenue replacement formula in the Interim Final Rule and estimated revenue loss due to the Covid-19 public health emergency calculated using the formula in the Interim Final Rule as of December 31, 2020.
  - Base year general revenue (e.g., revenue in the last full fiscal year prior to the public health emergency)
  - Fiscal year end date
  - Growth adjustment used (either 4.1 percent or average annual general revenue growth over 3 years prior to pandemic)
  - Actual general revenue as of the twelve months ended December 31, 2020
  - Estimated revenue loss due to the Covid-19 public health emergency as of December 31, 2020
  - An explanation of how revenue replacement funds were allocated to government services (Note: additional instructions and/or template to be provided in users' guide)

<sup>12</sup> For purposes of reporting in the SLFRF portal, an expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).

<sup>13</sup> For purposes of reporting in the SLFRF portal, an obligation is an order placed for property and services, contracts and subawards made, and similar transactions that require payment.

<sup>14</sup> See Appendix 1 for the full Expenditure Category (EC) list. References to Expenditure Categories are identified by "EC" followed by numbers from the table in Appendix 1.



In calculating general revenue and the other items discussed above, recipients should use audited data if it is available. When audited data is not available, recipients are not required to obtain audited data if substantially accurate figures can be produced on an unaudited basis. Recipients should use their own data sources to calculate general revenue, and do not need to rely on revenue data published by the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported general revenue figures may differ from those published by the Census Bureau. Recipients may provide data on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology throughout the covered period and until reporting is no longer required. Recipients' reporting should align with their own financial reporting.

In calculating general revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a State to a locality pursuant to the CRF or SLFRF. To the extent federal funds are passed through States or other entities or intermingled with other funds, recipients should attempt to identify and exclude the federal portion of those funds from the calculation of general revenue on a best-efforts basis.

Consistent with the broad latitude provided to recipients to use funds for government services to the extent of reduction in revenue, recipients will be required to submit a description of services provided. This description may be in narrative or in another form, and recipients are encouraged to report based on their existing budget processes and to minimize administrative burden. For example, a recipient with \$100 in revenue replacement funds available could indicate that \$50 were used for law enforcement operating expenses and \$50 were used for pay-go building of sidewalk infrastructure. As discussed in the Interim Final Rule, these services can include a broad range of services but may not be used directly for pension deposits or debt service.

Reporting requirements will not require tracking the indirect effects of Fiscal Recovery Funds, apart from the restrictions on use of Fiscal Recovery Funds to offset a reduction in net tax revenue. In addition, recipients must indicate that Fiscal Recovery Funds were not used to make a deposit in a pension fund.

- b. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:
- NEU name
  - NEU DUNS number
  - NEU Taxpayer Identification Number (TIN)
  - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
  - NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
  - NEU authorized representative name and email address
  - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
  - Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)



- Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU’s reference budget which will be returned to Treasury
- Payment amount(s)
- Payment date(s)

For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the [Guidance on Distributions of Funds to Non-Entitlement Units of Local Government](#).

States with “weak” minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

## B. Project and Expenditure Report

All recipients are required to submit Project and Expenditure Reports.

### 1. Quarterly Reporting

The following recipients are required to submit quarterly Project and Expenditure Reports:

- States, U.S. territories, and Tribal governments
- Metropolitan cities and counties that received more than \$5 million in SLFRF funding

For these recipients, the initial quarterly Project and Expenditure Report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 calendar days after the end of each calendar quarter. Quarterly reports are not due concurrently with applicable annual reports. The table below summarizes the quarterly report timelines:

Report	Year	Quarter	Period Covered	Due Date
1	2021	2 and 3	Award Date – September 30	October 31, 2021
2	2021	4	October 1 – December 31	January 31, 2022
3	2022	1	January 1 – March 31	April 30, 2022
4	2022	2	April 1 – June 30	July 31, 2022
5	2022	3	July 1 – September 30	October 31, 2022
6	2022	4	October 1 – December 31	January 31, 2023
7	2023	1	January 1 – March 31	April 30, 2023
8	2023	2	April 1 – June 30	July 31, 2023
9	2023	3	July 1 – September 30	October 31, 2023
10	2023	4	October 1 – December 31	January 31, 2024
11	2024	1	January 1 – March 31	April 30, 2024
12	2024	2	April 1 – June 30	July 31, 2024
13	2024	3	July 1 – September 30	October 31, 2024
14	2024	4	October 1 – December 31	January 31, 2025
15	2025	1	January 1 – March 31	April 30, 2025
16	2025	2	April 1 – June 30	July 31, 2025
17	2025	3	July 1 – September 30	October 31, 2025
18	2025	4	October 1 – December 31	January 31, 2026
19	2026	1	January 1 – March 31	April 30, 2026
20	2026	2	April 1 – June 30	July 31, 2026



Report	Year	Quarter	Period Covered	Due Date
21	2026	3	July 1 – September 30	October 31, 2026
22	2026	4	October 1 – December 31	March 31, 2027

## 2. Annual Reporting

The following recipients are required to submit annual Project and Expenditure Reports:

- Metropolitan cities and counties that received less than \$5 million in SLFRF funding.
- NEUs. To facilitate reporting, each NEU will need a NEU Recipient Number. This is a unique identification code for each NEU assigned by the State to the NEU as part of its request for funding.

For these recipients, the initial Project and Expenditure Report will cover from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports will cover one calendar year and must be submitted to Treasury by October 31. The table below summarizes the report timelines:

Report	Period Covered	Due Date
1	Award Date – September 30, 2021	October 31, 2021
2	October 1, 2021 – September 30, 2022	October 31, 2022
3	October 1, 2022 – September 30, 2023	October 31, 2023
4	October 1, 2023 – September 30, 2024	October 31, 2024
5	October 1, 2024 – September 30, 2025	October 31, 2025
6	October 1, 2025 – September 30, 2026	October 31, 2026
7	October 1, 2026 – December 31, 2026	March 31, 2027

## 3. Required Information

The following information will be required in Project and Expenditure Reports:

- Projects:** Provide information on all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, the recipient will be required to enter the project name, identification number (created by the recipient), project expenditure category (see Appendix 1), description, and status of completion. Project descriptions must describe the project in sufficient detail to provide understanding of the major activities that will occur, and will be required to be between 50 and 250 words. Projects should be defined to include only closely related activities directed toward a common purpose. In particular, recipients should review the Required Programmatic Data described below and define their projects at a sufficient level of granularity to report these metrics for a reasonably specific activity or set of activities in each project.

Note: For each project, the recipient will be asked to select the appropriate Expenditure Category based on the scope of the project (see Appendix 1). Projects should be scoped to align to a single Expenditure Category. For select Expenditure Categories, the recipient will also be asked to provide additional programmatic data (described further below).

- Expenditures:** Once a project is entered the recipient will be able to report on the project's obligations and expenditures. Recipients will be asked to report:
  - Current period obligation
  - Cumulative obligation
  - Current period expenditure
  - Cumulative expenditure



- c. **Project Status:** Once a project is entered the recipient will be asked to report on project status each reporting period, in four categories:
- Not Started
  - Completed less than 50 percent
  - Completed 50 percent or more
  - Completed
- d. **Project Demographic Distribution:** Recognizing the disproportionate impact of the pandemic-related recession on low-income communities, recipients must report whether certain types of projects<sup>15</sup> are targeted to economically disadvantaged communities, as defined by HUD's [Qualified Census Tract](#).<sup>16</sup> Recipients will be asked to identify whether or not the project is serving an economically disadvantaged community. To minimize the administrative burden on recipients while ensuring that this important aspect of program performance is tracked, recipients may assume that the funds for a project count as being targeted towards economically disadvantaged communities if the project funds are spent on:
- A program or service is provided at a physical location in a Qualified Census Tract (for multi-site projects, if a majority of sites are within Qualified Census Tracts);
  - A program or service where the primary intended beneficiaries live within a Qualified Census Tract;
  - A program or service for which the eligibility criteria are such that the primary intended beneficiaries earn less than 60 percent of the median income for the relevant jurisdiction (e.g., State, county, metropolitan area, or other jurisdiction); or
  - A program or service for which the eligibility criteria are such that over 25 percent of intended beneficiaries are below the federal poverty line.

Recipients may use reasonable estimates to determine if a project meets one of these criteria, including identifying the intended beneficiaries of a program or service in terms of income characteristics, geographic location, or otherwise estimating the beneficiaries of a program based on its eligibility criteria. Recipients do not need to track information on each individual beneficiary to make the determination of whether or not the project is serving an economically disadvantaged community. If a recipient is unable to measure economic characteristics of the primary intended beneficiaries of a program or service due to data limitations or for other reasons, that program or service may not be counted as targeted to economically disadvantaged communities. Treasury recognizes that in some circumstances, recipients may fund eligible programs or services that benefit economically disadvantaged communities but may lack adequate data to assess conclusively that such a program or service is targeted to economically disadvantaged communities based on the criteria described above.

- e. **Subawards:** Each recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than or equal to \$50,000.

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<sup>15</sup> Specifically recipients must report this information for projects in the Expenditure Categories that are marked with “^” in the expenditure category listing in Appendix 1 of this guidance

<sup>16</sup> HUD defines as a QCT as having “50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more.” To view median income area for their jurisdiction, recipients may visit the U.S. Census [website](#) on median incomes and select the geography for their jurisdiction and relevant unit of measurement (household or individual) for the project.



Recipients do not also need to submit separate monthly subaward reports to FSRS.gov as required pursuant to the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, which is included in the SLFRF Award Terms and Conditions. Treasury will submit this reporting on behalf of recipients using the \$50,000 reporting threshold, timing, and data elements discussed in this guidance. If recipients choose to continue reporting to FSRS.gov in addition to reporting directly to Treasury on these funds, they may do so and will be asked to notify Treasury as part of their quarterly submission.

In general, recipients will be asked to provide the following information for each Contract, Grant, Loan, Transfer, or Direct Payment greater than or equal to \$50,000:

- Subrecipient identifying and demographic information (e.g., DUNS number and location)
- Award number (e.g., Award number, Contract number, Loan number)
- Award date, type, amount, and description
- Award payment method (reimbursable or lump sum payment(s))
- For loans, expiration date (date when loan expected to be paid in full)
- Primary place of performance
- Related project name(s)
- Related project identification number(s) (created by the recipient)
- Period of performance start date
- Period of performance end date
- Quarterly obligation amount
- Quarterly expenditure amount
- Project(s)
- Additional programmatic performance indicators for select Expenditure Categories (see below)

Aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are below \$50,000. This information will be accounted for by expenditure category at the project level.

As required by the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, recipients must also report the names and total compensation of their five most highly compensated executives and their subrecipients' executives for the preceding completed fiscal year if (1) the recipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards), and received \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act (and subawards), and (2) if the information is not otherwise public. In general, most SLFRF Recipients are governmental entities with executive salaries that are already disclosed, so no additional information must be reported. The recipient is responsible for the subrecipients' compliance with registering and maintaining an updated profile on SAM.gov.

- f. Civil Rights Compliance: Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances.



- g. Required Programmatic Data (other than infrastructure projects): For all projects listed under the following Expenditure Categories (see Appendix 1), the information listed must be provided in each report.
1. Payroll for Public Health and Safety Employees (EC 1.9):
    - Number of government FTEs responding to COVID-19 supported under this authority
  2. Household Assistance (EC 2.1-2.5):
    - Brief description of structure and objectives of assistance program(s) (e.g., nutrition assistance for low-income households)
    - Number of individuals served (by program if recipient establishes multiple separate household assistance programs)
    - Brief description of recipient's approach to ensuring that aid to households responds to a negative economic impact of Covid-19, as described in the Interim Final Rule
  3. Small Business Economic Assistance (EC 2.9):
    - Brief description of the structure and objectives of assistance program(s) (e.g., grants for additional costs related to Covid-19 mitigation)
    - Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
    - Brief description of recipient's approach to ensuring that aid to small businesses responds to a negative economic impact of COVID-19, as described in the Interim Final Rule
  4. Aid to Travel, Tourism, and Hospitality or Other Impacted Industries (EC 2.11-2.12):
    - If aid is provided to industries other than travel, tourism, and hospitality (EC 2.12), a description of pandemic impact on the industry and rationale for providing aid to the industry
    - Brief narrative description of how the assistance provided responds to negative economic impacts of the COVID-19 pandemic
    - For each subaward:
      - Sector of employer (Note: additional detail, including list of sectors to be provided in a users' guide)
      - Purpose of funds (e.g., payroll support, safety measure implementation)
  5. Rehiring Public Sector Staff (EC 2.14):
    - Number of FTEs rehired by governments under this authority
  6. Education Assistance (EC 3.1-3.5):
    - The National Center for Education Statistics ("NCES") School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.<sup>17</sup>

<sup>17</sup> For more information on NCES identification numbers see <https://nces.ed.gov/ccd/districtsearch/> (districts) and <https://nces.ed.gov/ccd/schoolsearch/> (schools).



7. Premium Pay (both Public Sector EC 4.1 and Private Sector EC 4.2):

- List of sectors designated as critical to the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the Interim Final Rule (Note: a list of sectors will be provided in the forthcoming users' guide).
- Number of workers to be served
- Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) (Note: a list of sectors will be provided in the forthcoming users' guide).
- For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, for whom premium pay would increase total pay above 150 percent of their residing State's average annual wage, or their residing county's<sup>18</sup> average annual wage, whichever is higher, on an annual basis:
  - A brief written narrative justification of how the premium pay or grant is responsive to workers performing essential work during the public health emergency. This could include a description of the essential workers' duties, health or financial risks faced due to COVID-19, and why the recipient government determined that the premium pay was responsive to workers performing essential work during the pandemic. This description should not include personally identifiable information; when addressing individual workers, recipients should be careful not to include this information. Recipients may consider describing the workers' occupations and duties in a general manner as necessary to protect privacy.

8. Revenue replacement (EC 6.1):

Under the Interim Final Rule, recipients calculate revenue loss using data as of four discrete points during the program: December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023. Revenue loss calculated as of December 31, 2020 will be reported in the Interim Report, as described above. For future calculation dates, revenue loss will be reported only in the Quarter 4 reports due January 31, 2022, January 31, 2023, and January 31, 2024. Reporting on revenue loss should include:

- General revenue collected over the past 12 months as of the most recent calculation date, as outlined in the Interim Final Rule (for example, for the January 31, 2022 report, recipients should provide 12 month general revenue as of December 31, 2021);
- Calculated revenue loss due to the Covid-19 public health emergency; and
- An explanation of how the revenue replacement funds were allocated to government services (note: additional instructions and/or template to be provided in user guide).

In calculating general revenue and the revenue loss due to the COVID-19 public health emergency, recipients should follow the same guidance as described above for the Interim Report.

- h. Required Programmatic Data for Infrastructure Projects (EC 5): For all projects listed under the Water, Sewer, and Broadband Expenditure Categories (see Appendix 1), more detailed project-level information is required. Each project will be required to report expenditure data as described above, but will also report the following information:

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<sup>18</sup> *County* means a county, parish, or other equivalent county division (as defined by the Census Bureau). See 31 CFR 35.3.



1. All infrastructure projects (EC 5):

- Projected/actual construction start date (month/year)
- Projected/actual initiation of operations date (month/year)
- Location (for broadband, geospatial location data)
- For projects over \$10 million:
  - a. A recipient may provide a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”). If such certification is not provided, a recipient must provide a project employment and local impact report detailing:
    - The number of employees of contractors and sub-contractors working on the project;
    - The number of employees on the project hired directly and hired through a third party;
    - The wages and benefits of workers on the project by classification; and
    - Whether those wages are at rates less than those prevailing.<sup>19</sup>  
Recipients must maintain sufficient records to substantiate this information upon request.
  - b. A recipient may provide a certification that a project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)). If the recipient does not provide such certification, the recipient must provide a project workforce continuity plan, detailing:
    - How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project;
    - How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project; and
    - How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities;
    - Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market; and
    - Whether the project has completed a project labor agreement.
  - c. Whether the project prioritizes local hires.
  - d. Whether the project has a Community Benefit Agreement, with a description of any such agreement.

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<sup>19</sup> As determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed.



2. Water and sewer projects (EC 5.1-5.15):

- National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund)
- Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund)

3. Broadband projects (EC 5.16-5.17):

- Speeds/pricing tiers to be offered, including the speed/pricing of its affordability offering
  - Technology to be deployed
  - Miles of fiber
  - Cost per mile
  - Cost per passing
  - Number of households (broken out by households on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload
    - Number of households with access to minimum speed standard of reliable 100 Mbps symmetrical upload and download
    - Number of households with access to minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
  - Number of institutions and businesses (broken out by institutions on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload, in each of the following categories: business, small business, elementary school, secondary school, higher education institution, library, healthcare facility, and public safety organization
    - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps symmetrical upload and download; and
    - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
- i. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:
- NEU name
  - NEU DUNS number
  - NEU Taxpayer Identification Number (TIN)
  - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
  - NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
  - NEU authorized representative name and email address
  - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
  - Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)
  - Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU's reference budget which will be returned to Treasury
  - Payment amount(s)
  - Payment date(s)



For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the [Guidance on Distributions of Funds to Non-Entitlement Units of Local Government](#).

States with “weak” minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

- j. **NEU Documentation (NEUs only):** Each NEU will also be asked to provide the following information with their first report submitted by October 31, 2021:
- Copy of the signed award terms and conditions agreement (which was signed and submitted to the State as part of the request for funding)
  - Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (which was signed and submitted to the State as part of the request for funding)
  - Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding

### C. Recovery Plan Performance Report

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to publish and submit to Treasury a Recovery Plan performance report (“Recovery Plan”). Each Recovery Plan must be posted on the public-facing website of the recipient by the same date the recipient submits the report to Treasury. This reporting requirement includes uploading a link to the publicly available document report along with providing data in the Treasury reporting portal.

The Recovery Plan will provide the public and Treasury information on the projects recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this guidance outlines some minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote economic recovery. Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it includes the minimum information determined by Treasury. Treasury will provide a recommended template but recipients may modify this template as appropriate for their jurisdiction. The Recovery Plan will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury.

The initial Recovery Plan will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period (by July 31). The table below summarizes the report timelines:

Annual Report	Period Covered	Due Date
1	Award Date – July 31, 2021	August 31, 2021
2	July 1, 2021 – June 30, 2022	July 31, 2022
3	July 1, 2022 – June 30, 2023	July 31, 2023
4	July 1, 2023 – June 30, 2024	July 31, 2024
5	July 1, 2024 – June 30, 2025	July 31, 2025
6	July 1, 2025 – June 30, 2026	July 31, 2026
7	July 1, 2026 – December 31, 2026	March 31, 2027



The Recovery Plan will include, at a minimum, the following information:

### 1. Executive Summary

Provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.

### 2. Uses of Funds

Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, please also explain how the funds would support the communities, populations, or individuals in your jurisdiction. Your description should address how you are promoting each of the following, to the extent they apply:

- a. Public Health (EC 1): As relevant, describe how funds are being used to respond to COVID-19 and the broader health impacts of COVID-19 and the COVID-19 public health emergency.
- b. Negative Economic Impacts (EC 2): As relevant, describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including to households and small businesses.
- c. Services to Disproportionately Impacted Communities (EC 3): As relevant, describe how funds are being used to provide services to communities disproportionately impacted by the COVID-19 public health emergency.
- d. Premium Pay (EC 4): As relevant, describe the approach, goals, and sectors or occupations served in any premium pay program. Describe how your approach prioritizes low-income workers.
- e. Water, sewer, and broadband infrastructure (EC 5): Describe the approach, goals, and types of projects being pursued, if pursuing.
- f. Revenue Replacement (EC 6): Describe the loss in revenue due to the COVID-19 public health emergency and how funds have been used to provide government services.

Where appropriate, recipients should also include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as the Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.

### 3. Promoting equitable outcomes

Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Please include in your description how your jurisdiction will consider and measure equity at the various stages of the program, including:

- a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve within your jurisdiction?
- b. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?
- c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?



- d. **Outcomes:** Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

Treasury encourages uses of funds that promote strong, equitable growth, including racial equity. Please describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. In addition, please explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

- a. **Negative Economic Impacts (EC 2):** assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.
- b. **Services to Disproportionately Impacted Communities (EC 3):** services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).

The initial report must describe efforts to date and intended outcomes to promote equity. Each annual report thereafter must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period. Please also describe any constraints or challenges that impacted project success in terms of increasing equity. In particular, this section must describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

For the purposes of the SLFRF, equity is defined in the [Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#), as issued on January 20, 2021.

#### 4. Community Engagement

Please describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficient populations, and other traditionally underserved groups.

#### 5. Labor Practices

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

## 6. Use of Evidence

The Recovery Plan should identify whether SLFRF funds are being used for evidence-based interventions<sup>20</sup> and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Recipients must briefly describe the goals of the project, and the evidence base for the interventions funded by the project. Recipients must specifically identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories.<sup>21</sup>

Recipients are exempt from reporting on evidence-based interventions in cases where a program evaluation is being conducted. Recipients are encouraged to use relevant evidence Clearinghouses, among other sources, to assess the level of evidence for their interventions and identify evidence-based models that could be applied in their jurisdiction; such evidence clearinghouses include the U.S. Department of Education's [What Works Clearinghouse](#), the U.S. Department of Labor's [CLEAR](#), and the [Childcare & Early Education Research Connections and the Home Visiting Evidence of Effectiveness](#) clearinghouses from Administration for Children and Families, as well as other clearinghouses relevant to particular projects conducted by the recipient. In such cases where a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design including whether it is a randomized or quasi-experimental design; the key research questions being evaluated; whether the study has sufficient statistical power to disaggregate outcomes by demographics; and the timeframe for the completion of the evaluation (including a link to completed evaluation if relevant).<sup>22</sup> Once the evaluation has been completed, recipients must post the evaluation publicly and link to the completed evaluation in the Recovery Plan. Once an evaluation has been completed (or has sufficient interim findings to determine the efficacy of the intervention), recipients should determine whether the spending for the evaluated interventions should be counted towards the dollar amount categorized as evidence-based for the relevant project.

For all projects, recipients may be selected to participate in a national evaluation, which would study their project along with similar projects in other jurisdictions that are focused on the same set of outcomes. In such cases, recipients may be asked to share information and data that is needed for the national evaluation.

Recipients are encouraged to consider how a Learning Agenda, either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda, could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction.<sup>23</sup>

Appendix 2 contains additional information on evidence-based interventions for the purposes of the Recovery Plan.

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<sup>20</sup>As noted in Appendix 2, evidence-based refers to interventions with strong or moderate levels of evidence.

<sup>21</sup> Of note, recipients are only required to report the amount of the total funds that are allocated to evidence-based interventions in the areas of Public Health, Negative Economic Impacts, and Services to Disproportionately Impacted Communities that are marked by an asterisk in Appendix 1: Expenditure Categories.

<sup>22</sup> For more information on the required standards for program evaluation, see [OMB M-20-12](#).

<sup>23</sup> For more information on learning agendas, please see [OMB M-19-23](#)



## 7. Table of Expenses by Expenditure Category

Please include a table listing the amount of funds used in each Expenditure Category (See Appendix 1). The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

## 8. Project Inventory

List the name and provide a brief description of all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, include the project name, funding amount, identification number (created by the recipient and used thereafter in the quarterly Program and Expenditure Report), project Expenditure Category (see Appendix 1), and a description of the project which includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes. Include a link to the website of the project if available. This information will provide context and additional detail for the information reported quarterly in the Project and Expenditure Report.

For infrastructure investment projects (EC 5), project-level reporting will be more detailed, as described for the Project and Expenditure Report above. Projects in this area may be grouped by Expenditure Category if needed, with further detail (such as the specific project name and identification number) provided in the Project and Expenditure Report. For infrastructure projects, descriptions should note how the project contributes to addressing climate change.

## 9. Performance Report

The Recovery Plan must include key performance indicators for the major SLFRF funded projects undertaken by the recipient. The recipient has flexibility in terms of how this information is presented in the Recovery Plan, and may report key performance indicators for each project, or may group projects with substantially similar goals and the same outcome measures. In some cases, the recipient may choose to include some indicators for each individual project as well as crosscutting indicators.

Performance indicators should include both output and outcome measures. Output measures, such as number of students enrolled in an early learning program, provide valuable information about the early implementation stages of a project. Outcome measures, such as the percent of students reading on grade level, provide information about whether a project is achieving its overall goals. Recipients are encouraged to use logic models<sup>24</sup> to identify their output and outcome measures. While the initial report will focus heavily on early output goals, recipients must include the related outcome goal for each project and provide updated information on achieving these outcome goals in annual reports. In cases where recipients are conducting a program evaluation for a project (as described above), the outcome measures in the performance report should be aligned with those being evaluated in the program. To support their performance measurement and program improvement efforts, recipients are permitted to use funds to make improvements to data or technology infrastructure and data analytics, as well as program evaluations.

## 10. Required Performance Indicators and Programmatic Data

While recipients have discretion on the full suite of performance indicators to include, a number of mandatory performance indicators and programmatic data must be included. These are necessary to allow Treasury to conduct oversight as well as understand and aggregate program outcomes across recipients. This section provides an overview of the mandatory performance indicators and programmatic data. This information may be included in each recipient's Recovery Plan as they determine most appropriate, including combining with the

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<sup>24</sup> A logic model is a tool that depicts the intended links between program investments and outcomes, specifically the relationships among the resources, activities, outputs, outcomes, and impact of a program.

section above, but this data will also need to be entered directly into the Treasury reporting portal. Below is a list of required data for each Expenditure Category:

- a. Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
  - Number of people or households receiving eviction prevention services (including legal representation)
  - Number of affordable housing units preserved or developed
- b. Negative Economic Impacts (EC 2):
  - Number of workers enrolled in sectoral job training programs
  - Number of workers completing sectoral job training programs
  - Number of people participating in summer youth employment programs
- c. Education Assistance (EC 3.1-3.5):
  - Number of students participating in evidence-based tutoring programs<sup>25</sup>
- d. Healthy Childhood Environments (EC 3.6-3.9):
  - Number of children served by childcare and early learning (pre-school/pre-K/ages 3-5)
  - Number of families served by home visiting

The initial report should include the key indicators above. Each annual report thereafter should include updated data for the performance period as well as prior period data, and a brief narrative adding any additional context to help the reader interpret the results and understand the any changes in performance indicators over time. To the extent possible, Treasury also encourages recipients to provide data disaggregated by race, ethnicity, gender, income, and other relevant factors.

#### **11. Ineligible Activities: Tax Offset Provision (States and territories only)**

The following information is required for Treasury to ensure SLFRF funding is not used for ineligible activities.

In each reporting year, States and territories will report certain items related to the Tax Offset Provision 31 CFR 35.8, as detailed below. As indicated in the Interim Final Rule, Treasury is seeking comment on reporting requirements related to the Tax Offset Provision, including ways to better rely on information already produced by States and territories and to minimize burden.

The terms “reporting year,” “baseline,” “covered change,” “net reduction in total spending,” and “tax revenue” are defined in the Interim Final Rule, 31 CFR 35.3. For purposes of calculating a net reduction in total spending, total spending for the fiscal year ending 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3. Similarly, for purposes of calculating baseline, tax revenue for the fiscal year 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3.

For purposes of reporting actual tax revenue and calculating tax revenue for the fiscal year ending 2019,<sup>26</sup> (a) if available, recipients should report information using audited financials and (b) recipients may provide data on a cash, accrual, or modified accrual basis, but must be consistent in their approach across all reporting periods. Similarly, for purposes of calculating

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<sup>25</sup> For more information on evidence-based tutoring programs, refer to the U.S. Department of Education’s [2021 ED COVID-19 Handbook \(Volume 2\)](#), which summarizes research on evidence-based tutoring programs (see the bottom of page 20).

<sup>26</sup> Tax revenue for fiscal year ending 2019 is relevant for calculating the recipient’s baseline.



a net reduction in total spending, recipients should report data using audited financials where available.

a. Revenue-reducing Covered Changes:

For each reporting year, a recipient must report the value of covered changes that the recipient predicts will have the effect of reducing tax revenue in a given reporting year (revenue-reducing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reported values should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Recipients must maintain records regarding the identification and predicted effects of revenue-reducing covered changes.

b. Baseline Revenue:

Baseline has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

Whether the revenue-reducing covered changes are in excess of the *de minimis*. Recipients must determine whether the aggregate value of the revenue-reducing covered changes in the reporting year is less than one percent of baseline revenue.

c. Actual Tax Revenue:

Actual tax revenue means the actual tax revenue received by the recipient government in the reporting year. Tax revenue has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

d. Reduction in Net Tax Revenue:

The reduction in net tax revenue is equal to baseline revenue minus actual tax revenue in each reporting year. If this value is zero or negative, there is no reduction in net tax revenue.

e. Any revenue-increasing covered changes:

A recipient must report the value of covered changes that have had or that the recipient predicts will have the effect of increasing tax revenue in a given reporting year (revenue-increasing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reporting should be produced by the agency of the recipient responsible for estimating the costs and effects of fiscal policy changes.



Recipients should maintain records regarding revenue-reducing covered changes and estimates of such changes.

f. Net reduction in total spending, and tables of specific spending cuts:

Recipients must report on spending cuts. To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). As in the Interim Final Rule, 35 CFR 35.3, net reduction in total spending is measured as the recipient government's total spending for a given reporting year excluding Fiscal Recovery Funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States. If that subtraction yields a positive value, there has been a net reduction; if it yields zero or a negative value, there has not been a net reduction. If there has been no net reduction in total spending, a recipient will have no spending cuts to offset a reduction in net tax revenue.

Next, a recipient must determine and aggregate the value of spending cuts in each "reporting unit," as defined below. For each reporting unit, the recipient must report (1) the amount of the reduction in spending in the reporting unit relative to its inflation-adjusted FY 2019 level, (2) the amount of any Fiscal Recovery Funds spent in the reporting unit, and (3) the amount by which the reduction in spending exceeds the Fiscal Recovery funds spent in the reporting unit. If a recipient has not spent amounts received from the Fiscal Recovery Funds in a reporting unit, the full amount of the reduction in spending counts as a covered spending cut and may be included in aggregate spending cuts. If the recipient has spent amounts received from the Fiscal Recovery Funds, such amounts generally would be deemed to have replaced the amount of spending cut, and only reductions in spending above the amount of Fiscal Recovery Funds spent on the reporting unit would be eligible to offset a reduction in net tax revenue. Only such amounts above the amount of Fiscal Recovery Funds spent on the reporting unit should be included in the aggregate of spending cuts.

To align with existing reporting and accounting, the Interim Final Rule considers the department, agency, or authority from which spending has been cut and whether the recipient government has spent amounts received from the Fiscal Recovery Funds on that same department, agency, or authority. Recipients may also choose to report at a more granular sub-department level. Recipients are encouraged to define and report spending in departments, sub-departments (e.g., bureaus), agencies, or authorities (each a "reporting unit") in a manner consistent with their existing budget process and should, to the extent possible, report using the same reporting unit in each reporting year. For example, if a State health department maintains separate budgets for different units (e.g., medical and public health units), those units may be reported and considered separately. Spending cuts must be reported relative to FY 2019 spending levels, adjusted for inflation, and excluding Fiscal Recovery Funds from reporting year spending levels.

Recipients should maintain records regarding spending cuts. As discussed in the Interim Final Rule, in order to help ensure governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. Evasions of the Tax Offset Provision may be subject to recoupment.



## Appendix 1: Expenditure Categories

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term “Expenditure Category” refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to as a category (e.g., EC 1) it includes all Expenditure Categories within that level.

<b>1: Public Health</b>	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
<b>2: Negative Economic Impacts</b>	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
<b>3: Services to Disproportionately Impacted Communities</b>	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^



3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
<b>4: Premium Pay</b>	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
<b>5: Infrastructure<sup>27</sup></b>	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: “Last Mile” projects
5.17	Broadband: Other projects
<b>6: Revenue Replacement</b>	
6.1	Provision of Government Services
<b>7: Administrative</b>	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities (see Project Demographic Distribution section above for details)

<sup>27</sup> Definitions for water and sewer Expenditure Categories can be found in the EPA’s handbooks. For “clean water” expenditure category definitions, please see: <https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf>. For “drinking water” expenditure category definitions, please see: <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports>.



## Appendix 2: Evidenced-Based Intervention Additional Information

### What is evidence-based?

For the purposes of the SLFRF, evidence-based refers to interventions with strong or moderate evidence as defined below:

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions. The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more non-experimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes. The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.



## Revision Log

Version	Date Published	Summary of changes
1.0	June 17, 2021	Initial publication
1.1	June 24, 2021	<ul style="list-style-type: none"><li>• Pg. 12, removed references to “summary” level with respect to reporting by Expenditure Categories in the Interim Report to avoid confusion.</li><li>• Pg. 13, revised the coverage period end date for the Interim Report from June 30, 2021 to July 31, 2021 to align with the IFR.</li><li>• Pg. 13, removed references to “summary” level with respect to reporting by Expenditure Categories in the Interim Report to avoid confusion.</li><li>• Pg. 31, removed references to “summary level” with respect to Expenditure Categories in Appendix 1 to avoid confusion.</li></ul>



AGENDA SUMMARY FORM

	<p>Board Review of Debt Reserve Requirements and Fund Balances</p>		
<p>Summary: Updated debt reserve spreadsheet.</p>			
<p>Notes:</p> <p>Fund balances can be located in the previously provided budget to actual and on pages 20,57,63,64, and 65 of the 2020 Audit.</p>			
<p>Possible Motions:</p> <p>Motion by: _____ 2<sup>nd</sup>: _____ vote: _____</p>			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 11, 2021

## BOND/LOAN REQUIREMENTS

- **AMKO BOND AGREEMENT:**

Upon the issuance of the Bonds, the Town will maintain a Reserve Account in the amount of \$100,750.00. The Town's existing, fully-funded Reserve Account previously associated with the Series 2006 Bond being refunded will be applied to the Bonds as a transfer of reserve funds.

COLOTRUST = \$106,877.27 (Interest bearing @ .0401% as of 06/30/2021)

- **UDSA GRANT AGREEMENT:**

Subject to the provisions of Paragraph 7 it is proposed to use the proceeds as follows:  
The Town will retain the proceeds as restricted funds, to be held in reserve, for future Wastewater Treatment Plant and/or collection system projects.

COLOTRUST = \$530,418.33 (Interest bearing @ .0401% as of 06/30/2021)

- **WATER-POWER AUTHORITY RATE COVENANT:**

Attached is an explanation of the rate covenant requirement, the additional bonds test and the operations and maintenance reserve requirement for loans issued under the two Colorado State Revolving Fund Programs that are secured with a revenue pledge. These requirements are typical of loans (bonds) secured with a revenue pledge.

SEE ATTACHED

- **RESERVE REQUIREMENTS**

- Reserve Policies (per 2020 Budget)**

Operating Reserves - An operating reserve will be maintained in the General Fund and Enterprise Funds in an amount equal to 25% to 50% of the current year's expenditures, excluding transfers. This reserve may be used to provide a temporary source of funds to offset unanticipated reductions in revenues or short-term increase in expenditures. Revenue shortfalls or ongoing increases in operational expenses need to be addressed quickly in order to avoid negative impacts on the Town's fiscal stability. Operating reserves also provide a source of funds to provide for adequate cash flow needs of the Town. Operating reserves should be replaced as soon as possible after use.

Other Reserves - Reserves in other funds will be established in amounts required by law, bond and loan documents, or as deemed appropriate by the Board of Trustees.

Emergency Reserves - An emergency reserve in the amount of 3% of the Fiscal Year Spending Limit, excluding debt service, as required by TABOR (Article X, Section 20 of the Colorado Constitution) will be maintained. Emergency reserves are limited in use and cannot be used to offset a downturn in economic conditions, revenue shortfalls, and increases in salaries and benefits.

**FINANCIAL COVENANTS AND REQUIREMENTS FOR  
THE DRINKING WATER AND WATER POLLUTION CONTROL REVOLVING FUNDS**

Attached is an explanation of the rate covenant requirement, the additional bonds test and the operations and maintenance reserve requirement for loans issued under the two Colorado State Revolving Fund Programs that are secured with a revenue pledge. These requirements are typical of loans (bonds) secured with a revenue pledge.

 **I. Rate Covenant**

For revenue pledge borrowers, the rate covenant requires borrowers to maintain rates and fees at levels that will generate enough revenue after operating expenses to cover annual debt service at **1.10 times**.

The rate covenant is calculated as follows:  $(TR - (OE - \text{Depreciation})) / \text{Annual Debt Service} \geq 1.10$

TR - Total revenues of the system including user charges, tap fees, interest income and other revenues

OE - Operating expenses of the system, or what it costs to run the system.

Depreciation - Because depreciation is a non-cash expense it should be subtracted from OE.

Annual Debt Service - Debt service on new loan plus any other parity debt.

We use your annual audited financial statement/CAFR to calculate rate covenant compliance. It is helpful if your accountant/auditor includes this calculation in the audit.

**II. Additional Bonds Test (ABT)**

For revenue pledge borrowers, our loan agreement prescribes a debt service coverage test that must be met prior to taking on additional parity debt. Existing lenders want to make sure that a borrower has adequate annual revenue to make debt service payments on all existing loans/bonds as well as the new loan/bond where the priority of claim to the revenues is the same (on parity). Anticipated revenues from rate increases can be used in the calculation.

Leveraged Loans - For loans greater than \$3 million the ABT is **1.10** and the calculation is the same as the above rate covenant calculation.

Direct Loans - For loans of \$3 million or less the ABT is **1.10**. The calculation is the same as the above rate covenant calculation.

If you have a loan with through the program and issue additional debt, then we require a parity certificate be submitted.

**III. Operation and Maintenance Reserve**

The borrower is required to maintain reserves equal to three months of operation and maintenance expenses of the system. The reserve can be in the form of unobligated cash balances or it can be held as a restricted asset. If the reserve fund is held as a restricted asset then the calculation is as follows:  $\text{Restricted Asset} > ((OE - \text{Depr}) \times 0.25)$ . If the reserve is in the form of unobligated cash balance then the calculation is as follows:  $(CA - CL) > ((OE - \text{Depr}) \times 0.25)$

CA - Current Assets of the System. CL - Current Liabilities of the System

The O & M Reserve is capped at \$1.25 million. We use your annual audited financial statement/CAFR to calculate O & M Reserve compliance. It is helpful if your accountant/auditor includes this calculation in the annual audit.

Please note that the Rate Covenant and ABT do not apply to G.O. loans.

(v) excluding any allowance for the redemption of any bond or other security evidencing a loan, or the payment of any interest thereon, or any prior redemption premium due in connection therewith, or any reserve therefor; and

(vi) excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities (if any combination thereof) pertaining to the Governmental Agency and the System.

"*Parity Lien Bonds*" means the Governmental Agency Bond and all other bonds or other obligations payable from the Net Pledged Revenues on a parity with the Governmental Agency Bond.

"*Generally Accepted Accounting Principles*" shall mean accounting principles, methods and terminology followed and construed for enterprises which are employed in business comparable to the business of the Governmental Agency, as amended from time to time.

#### 5. Rate Covenant

The Governmental Agency shall establish and collect rates and charges for the use or the sale of the products and services of the System, which together with other moneys available therefor, are expected to produce Revenues (as defined in paragraph (4) of this Exhibit A to this Loan Agreement) for each calendar year which will be at least sufficient for such calendar year to pay the sum of:

- (a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in paragraph (4) of this Exhibit A of this Loan Agreement) during such calendar year;
- (b) a sum equal to 110% of the debt service due on the Governmental Agency Bond for such calendar year and debt service coming due during such calendar year on a parity with the with the lien or charge of this Loan Agreement on the Pledged Property, in each case computed as of the beginning of such calendar year;
- (c) the amount, if any, to be paid during such calendar year into any debt service reserve account;
- (d) a sum equal to the debt service on any subordinated debt for such calendar year computed as of the beginning of such calendar year; and
- (e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of the Revenues during such calendar year.

Notwithstanding anything contained above, amounts deposited in a rate stabilization account shall not be deemed Revenues (as defined in paragraph 4. of this Exhibit A to this Loan Agreement) in the calendar year deposited and amounts withdrawn from the rate stabilization account shall be deemed Gross Revenues (as defined in paragraph 4. of this Exhibit A to this Loan Agreement) in the year withdrawn.

ADDITIONAL COVENANTS AND REQUIREMENTS

**Audit Requirements.** For each year in which the Governmental Agency requests a disbursement from the Project Loan Subaccount, the Governmental Agency shall conduct its annual audit in accordance with the federal Single Audit Act, 31 U.S.C. § 7501 et seq.

**Additional Senior, Parity and Subordinate Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is superior to the lien or charge of this Loan Agreement on the Pledged Property. In addition, the Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that Net Revenues (as defined in paragraph 4. of Exhibit A to this Loan Agreement and subject to the next sentence) for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued is at least equal to the sum of (a) 110% of the maximum annual debt service of (i) this Loan Agreement and all outstanding obligations of the Governmental Agency payable out of, or secured by a lien or charge on the Pledged Property which is on a parity with the lien or charge of the Governmental Agency Bond on the Pledged Property, and (ii) such proposed obligations to be issued, and (b) 100% of the maximum annual debt service of all obligations payable out of, or secured by a lien or charge on the Pledged Property which is subordinate to the lien or charge of the Loan Agreement on the Pledged Revenues. Net Revenues may be adjusted to reflect any rate increases prior to the issuance of such additional obligations by adding to the actual Net Revenues for such period an estimated sum equal to 100% of the estimated increase in Net Revenues which would have been realized during such period had such rate increase been in effect during all of such period. Notwithstanding the foregoing, the Governmental Agency may issue refunding obligations payable out of, or secured by a lien or charge on the Pledged Property, without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year. In addition, the Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is subordinate to this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued Net Revenues were at least 100% of the maximum annual debt service on all obligations payable out of, or secured by a lien or charge on the Pledged Property, which are outstanding during such period.

**Operations and Maintenance Reserve Fund.** The Governmental Agency shall maintain an operations and maintenance reserve in an amount equal to three months of Operating Expenses excluding depreciation of the System as set forth in the annual budget for the current fiscal year but in no event greater than \$1,250,000. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities (i.e., capital reserves) or may be in a separate segregated fund and shall be maintained as a continuing reserve for payment of any lawful purpose relating to the System. If the operations and maintenance reserves fall below this

Rev  
- OP EXP  
+ DEP  
110%

A-L  
= 3/100

requirement, the shortfall shall be made up in 24 substantially equal monthly installments beginning the second month after such shortfall or the date of delivery.

**Rate Study.** In the event that Revenues collected during a fiscal year are not sufficient to meet the requirements set forth in the Rate Covenant contained in paragraph 5. of Exhibit A of this Loan Agreement, the Governmental Agency shall, within 90 days of the end of such fiscal year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Revenues to be collected in the next succeeding fiscal year which will provide compliance with the Rate Covenant described in paragraph 5. of Exhibit A of this Loan Agreement. Such a study shall be delivered to the Authority and the Trustee. The Governmental Agency shall within six months of receipt of such study, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which provide compliance with said Rate Covenant.

**Special Fund.** The Governmental Agency covenants to create a special fund into which shall be deposited the Revenues (as defined in paragraph 4. of Exhibit A to this Loan Agreement). The Revenues shall be applied, on or before the last day of each month, first to the payment of the Operating Expenses (as defined in paragraph 4. of Exhibit A to this Loan Agreement) and then applied to the payment of the Loan Repayments and other amounts payable on a parity with the Loan Repayments. Any further application shall be as provided by ordinance or resolution of the Governmental Agency.

**(6) Technical Managerial and Financial Capacity Requirement.** As described in the Technical/Managerial/Financial (TMF) Capacity Evaluation Report dated August 2, 2013, and are as follows:

- The Town must submit a Drinking Water Contact Update Form.
- The Town must provide information regarding the water system staff along with supporting documentation that indicates the operator duties.
- The Town must submit a copy of the procedure to monitor personnel performance for review.
- The Town must maintain adequate revenues for future operations and debt service.

**Davis Bacon Act.** The Governmental Agency will comply with the requirements of the Davis Bacon Act, codified at 40 U.S.C. §§ 3140 through 3148.

**American Iron and Steel Requirement.** The Governmental Agency will comply with all federal requirements applicable to the Loan, including Section 436 of P.L. 113-76, Consolidated Appropriations Act, 2014, (the "Appropriations Act") and related State Revolving Fund Policy Guidelines, which require that all of the iron and steel products (as defined in the Appropriations Act and Guidelines) used in the Project must be produced in the United States unless the Governmental Agency has requested and received a waiver from the requirement pursuant to the "waiver process" described in the Appropriations Act and Guidelines.

ACCT#	ACCOUNT DESCRIPTION	2019		2020		2021		@ 073121 2021 ACTUAL
		BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
	TOTAL REVENUE - WATER	841,000.00	876,926.59	887,312.40	919,118.67	1,261,878.00	-	791,186.86
	TOTAL REVENUE - SEWER	495,400.00	569,018.85	563,406.00	634,212.94	557,596.00	-	312,883.71
	TOTAL EXPENDITURES	626,400.00	601,504.57	689,502.40	480,865.02	727,894.67	-	325,095.00
		-	-	-	-	318,698.00	-	-
		214,600.00	187,671.46	197,229.00	194,438.93	215,286.00	-	185,509.61
		-	-	-	-	-	-	-
	WATER	841,000.00	789,176.03	886,731.40	675,303.95	1,261,878.67	-	510,604.61
		392,900.00	598,855.59	433,120.00	385,936.39	341,991.31	-	205,384.14
		-	-	-	108,906.00	107,622.00	-	-
		102,500.00	101,042.00	101,042.00	-	107,983.00	-	74,750.00
	SEWER	495,400.00	699,897.59	534,162.00	494,842.39	557,596.31	-	280,134.14
		1,336,400.00	1,409,948.55	1,450,718.40	1,495,917.61	1,819,474.00	-	1,104,070.57
	OE-DEPR	1,019,300.00	1,200,360.16	1,122,622.40	866,801.41	1,069,885.98	-	530,479.14
	/DS	317,100.00	288,713.46	298,271.00	325,018.44	323,269.00	-	260,259.61
	>1.10	100.00%	72.59%	110.00%	193.56%	231.88%	-	220.39%

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE	MAY	APRIL	MARCH	CUR YTD			ORIG	% OF	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	MO BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>ADMINISTRATION</b>											
	BEGINNING RESERVE					12,936.79	12,936.79	12,936.79	12,936.79		12,936.79
	INCOME	-	10,210.73	33,470.86	20,079.41	116,665.11	79,354.00	37,311.11	158,708.00		(42,042.89)
	EXPENDITURE	-	15,923.96	32,138.60	22,373.21	99,302.47	79,354.00	(19,948.47)	158,708.00		(59,405.53)
	NET CHANGE	-	(5,713.23)	1,332.26	(2,293.80)	17,362.64	-	17,362.64	-		17,362.64
	ENDING RESERVE					30,299.43	12,936.79	30,299.43	12,936.79		30,299.43
	25% MIN RESERVE					24,825.62					
	NET AVAILABLE RESERVE					5,473.81					
<b>BUILDING</b>											
	BEGINNING RESERVE					2,000.00	2,000.00	2,000.00	2,000.00		2,000.00
	INCOME	-	3,343.55	3,255.20	2,773.50	10,667.45	15,597.00	(4,929.55)	31,194.00		(20,526.55)
	EXPENDITURE	-	5,515.74	297.94	332.68	8,286.83	15,597.00	7,310.17	31,194.00		(22,907.17)
	NET CHANGE	-	(2,172.19)	2,957.26	2,440.82	2,380.62	-	2,380.62	-		2,380.62
	ENDING RESERVE					4,380.62					4,380.62
	25% MIN RESERVE					2,071.71					
	NET AVAILABLE RESERVE					2,308.91					
<b>LAW ENFORCEMENT</b>											
	BEGINNING RESERVE					156,386.99	156,386.99	156,386.99	156,386.99		156,386.99
	INCOME	-	60,094.53	46,368.98	45,046.38	198,537.22	261,941.00	(63,403.78)	523,882.00		(325,344.78)
	EXPENDITURE	-	33,679.06	50,324.89	36,680.75	221,703.40	266,741.00	45,037.60	533,482.00		(311,778.60)
	NET CHANGE	-	26,415.47	(3,955.91)	8,365.63	(23,166.18)	(4,800.00)	(18,366.18)	(9,600.00)		(13,566.18)
	ENDING RESERVE					133,220.81	151,586.99	138,020.81	146,786.99		142,820.81
	EMERGENCY RESERVE					42,302.00					
	25% MIN RESERVE					55,425.85					
	NET AVAILABLE RESERVE					35,492.96					
<b>PARKS</b>											
	BEGINNING RESERVE					51,485.13	51,485.13	51,485.13	51,485.13		51,485.13
	INCOME	-	320.00	385.00	14,385.08	42,193.72	91,824.44	(49,630.72)	183,648.88		(141,455.16)
	EXPENDITURE	-	9,068.13	28,387.46	5,263.74	68,418.83	91,824.44	23,405.61	183,648.88		(115,230.05)
	NET CHANGE	-	(8,748.13)	(28,002.46)	9,121.34	(26,225.11)	-	(26,225.11)	-		(26,225.11)
	ENDING RESERVE					25,260.02	51,485.13	25,260.02	51,485.13		25,260.02
	25% MIN RESERVE					17,104.71					
	NET AVAILABLE RESERVE					8,155.31					
<b>STREETS</b>											
	BEGINNING RESERVE					151,477.11	151,477.11	151,477.11	151,477.11		151,477.11
	INCOME	-	34,879.62	23,840.59	13,008.74	86,894.16	108,149.00	(21,254.84)	216,298.00		(129,903.84)
	EXPENDITURE	-	8,212.89	12,340.14	10,431.78	51,866.22	108,149.00	56,282.78	216,298.00		(164,431.78)
	NET CHANGE	-	26,666.73	11,500.45	2,576.96	35,027.94	-	35,027.94	-		34,527.94
	ENDING RESERVE					186,505.05	151,477.11	186,505.05	151,477.11		186,005.05
	50% MIN RESERVE					25,933.11					
	NET AVAILABLE RESERVE					160,571.94					
<b>STREET-CAPITAL IMPROVEMENT</b>											
	BEGINNING RESERVE					53,877.00	53,877.00	53,877.00	53,877.00		53,877.00
	INCOME	-	4,662.99	4,688.08	4,114.95	22,139.31	157,500.00	(135,360.69)	315,000.00		(292,860.69)
	EXPENDITURE	-	-	-	-	-	157,500.00	157,500.00	315,000.00		(315,000.00)
	NET CHANGE	-	4,662.99	4,688.08	4,114.95	22,139.31	-	22,139.31	-		22,139.31
	ENDING RESERVE					76,016.31	53,877.00	76,016.31	53,877.00		76,016.31
	COMMITTED					76,016.31					
	NET AVAILABLE RESERVE					-					
<b>BRIDGE</b>											
	BEGINNING RESERVE					188,241.61	188,241.61	188,241.61	188,241.61		188,241.61
	INCOME	-	28.69	27.81	32.41	180.43	23,500.00	(23,319.57)	47,000.00		(46,819.57)
	EXPENDITURE	-	-	-	-	-	25,000.00	25,000.00	50,000.00		(50,000.00)
	NET CHANGE	-	28.69	27.81	32.41	180.43	(1,500.00)	1,680.43	(3,000.00)		3,180.43
	ENDING RESERVE					188,422.04	186,741.61	189,922.04	185,241.61		191,422.04
	COMMITTED					188,422.04					
	NET AVAILABLE RESERVE					-					
<b>SIDEWALK</b>											
	BEGINNING RESERVE					2,852.00	2,852.00	2,852.00	2,852.00		2,852.00
	INCOME	-	2,618.23	2,565.46	2,387.43	12,774.67	15,517.00	(2,742.33)	31,034.00		(18,259.33)
	EXPENDITURE	-	-	-	-	-	15,517.00	15,517.00	31,034.00		(31,034.00)
	NET CHANGE	-	2,618.23	2,565.46	2,387.43	12,774.67	-	12,774.67	-		12,774.67
	ENDING RESERVE					15,626.67	2,852.00	15,626.67	2,852.00		15,626.67
	COMMITTED					15,626.67					
	NET AVAILABLE RESERVE					-					

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6	REMAINING	2021	50%	REMAINING
		JUNE ACTUAL	MAY ACTUAL	APRIL ACTUAL	MARCH ACTUAL	CUR YTD ACTUAL			ORIG BUDGET	% OF BUDGET	
<b>SPACE2CREATE</b>											
	BEGINNING RESERVE					13,165.00	13,165.00	13,165.00	13,165.00	13,165.00	
	INCOME	-	1.68	1.62	1.68	8.18	6,596.79	(6,588.61)	13,193.57	(13,185.39)	
	EXPENDITURE	-	-	159.50	-	1,409.50	6,596.79	5,187.29	13,193.57	(11,784.07)	
	NET CHANGE	-	1.68	(157.88)	1.68	(1,401.32)	-	(1,401.32)	-	(1,401.32)	
	ENDING RESERVE					11,763.68	13,165.00	11,763.68	13,165.00	11,763.68	
	COMMITTED					11,763.68					
	NET AVAILABLE RESERVE					-					
<b>CONSERVATION TRUST FUND</b>											
	BEGINNING RESERVE					8,311.00	8,311.00	8,311.00	8,311.00	8,311.00	
	INCOME	-	1.32	1.24	2,082.02	2,086.60	6,916.34	(4,829.74)	13,832.67	(11,746.07)	
	EXPENDITURE	-	-	-	-	-	6,916.34	6,916.34	13,832.67	(13,832.67)	
	NET CHANGE	-	1.32	1.24	2,082.02	2,086.60	-	2,086.60	-	2,086.60	
	ENDING RESERVE					10,397.60	8,311.00	10,397.60	8,311.00	10,397.60	
	COMMITTED					10,397.60					
	NET AVAILABLE RESERVE					-					
<b>CAPITAL IMPROVEMENT</b>											
	BEGINNING RESERVE					343,907.00	343,907.00	343,907.00	343,907.00	343,907.00	
	INCOME	-	19,973.07	16,030.73	16,530.09	75,067.44	243,263.25	(168,195.81)	486,526.49	(411,459.05)	
	EXPENDITURE	-	8,850.67	3,558.45	7,256.80	49,549.37	243,263.25	193,713.88	486,526.49	(436,977.12)	
	NET CHANGE	-	11,122.40	12,472.28	9,273.29	25,518.07	-	25,518.07	-	25,518.07	
	ENDING RESERVE					369,425.07	343,907.00	369,425.07	343,907.00	369,425.07	
	COMMITTED					369,425.07					
	NET AVAILABLE RESERVE					-					

Town of Paonia, Colorado

BALANCE SHEET- GOVERNMENTAL FUNDS

December 31, 2020

	General Fund	Sales Tax Capital Improvement Fund	Total Nonmajor Funds	Total
<b>Assets</b>				
Pooled cash and investments	\$ 306,720	\$ 328,208	\$ 75,353	\$ 710,281
Restricted cash and investments	588,433	-	-	588,433
Taxes receivable	134,107	-	-	134,107
Due from other governments	52,062	18,448	-	70,510
Accounts receivable	127,204	-	2,852	130,056
<b>Total assets</b>	<b>1,208,526</b>	<b>346,656</b>	<b>78,205</b>	<b>1,633,387</b>
<b>Liabilities</b>				
Accounts payable	14,486	2,749	-	17,235
Unearned revenue bridge agreement	400,000	-	-	400,000
<b>Total liabilities</b>	<b>414,486</b>	<b>2,749</b>	<b>-</b>	<b>417,235</b>
<b>Deferred Inflows of Resources</b>				
Deferred grant revenue	96,405	-	-	96,405
Deferred property taxes	134,107	-	-	134,107
<b>Total deferred inflows of resources</b>	<b>230,512</b>	<b>-</b>	<b>-</b>	<b>230,512</b>
<b>Fund Balance</b>				
<i>Restricted</i>				
Reserve for emergencies	42,302	-	-	42,302
Conservation	-	-	8,311	8,311
Airport capital improvements	-	44,892	-	44,892
<i>Committed</i>				
Bridge reserve	188,433	-	-	188,433
Capital acquisition	-	299,015	-	299,015
Sidewalk improvement	-	-	2,852	2,852
Street improvement	-	-	53,877	53,877
Space to create	-	-	13,165	13,165
<i>Unassigned</i>	332,793	-	-	332,793
<b>Total fund balance</b>	<b>\$ 563,528</b>	<b>\$ 343,907</b>	<b>\$ 78,205</b>	<b>\$ 985,640</b>

The accompanying footnotes are an integral part of this statement.

Town of Paonia, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

Year Ended December 31, 2020

	General Fund	Sales Tax Capital Improvement Fund	Nonmajor Fund	Total
<b>Revenues</b>				
Taxes	\$ 786,978	\$ 214,455	\$ 7,590	\$ 1,009,023
Fees and fines	36,219	-	31,054	67,273
Licenses and permits	34,352	-	-	34,352
Intergovernmental	157,497	-	-	157,497
Interest income	13,956	-	-	13,956
Miscellaneous	54,018	8,150	45	62,213
<b>Total revenues</b>	<b>1,083,020</b>	<b>222,605</b>	<b>38,689</b>	<b>1,344,314</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	396,988	-	-	396,988
Public safety	335,270	-	-	335,270
Public works	136,166	-	47,965	184,131
Culture and recreation	109,702	-	600	110,302
Capital outlay	62,445	216,848	85,049	364,342
<b>Total expenditures</b>	<b>1,040,571</b>	<b>216,848</b>	<b>133,614</b>	<b>1,391,033</b>
Revenues in excess (deficiency) of expenditures	42,449	5,757	(94,925)	(46,719)
Other financing sources (uses)				
Transfers in (out)	14,000	-	48,151	62,151
<b>Total other financing sources (uses)</b>	<b>14,000</b>	<b>-</b>	<b>48,151</b>	<b>62,151</b>
Revenues and other sources in excess (deficiency) of expenditures and other (uses)	56,449	5,757	(46,774)	15,432
Fund balance, beginning	507,079	338,150	124,979	970,208
Fund balance, ending	\$ 563,528	\$ 343,907	\$ 78,205	\$ 985,640

The accompanying notes are an integral part of this statement.

Town of Paonia, Colorado

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2020

	Street Capital Improvement Fund	Conservation Trust Fund	Sidewalk Fund	Space to Create Fund	Total Non-Major Governmental Funds
<b>Revenues</b>					
Taxes	\$ -	\$ 7,590	\$ -	\$ -	\$ 7,590
Fees and fines	-	-	31,054	-	31,054
Miscellaneous	-	4	-	41	45
<b>Total revenues</b>	<b>-</b>	<b>7,594</b>	<b>31,054</b>	<b>41</b>	<b>38,689</b>
<b>Expenditures</b>					
<b>Current</b>					
Public works	-	-	47,965	-	47,965
Culture and recreation	-	600	-	-	600
Capital projects	85,049	-	-	-	85,049
<b>Total expenditures</b>	<b>85,049</b>	<b>600</b>	<b>47,965</b>	<b>-</b>	<b>133,614</b>
Revenues in excess (deficiency) of expenditures	(85,049)	6,994	(16,911)	41	(94,925)
<b>Other Financing Sources (Uses)</b>					
Transfers in	48,151	-	-	-	48,151
<b>Total other financing sources (uses)</b>	<b>48,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,151</b>
Revenues and other sources in excess (deficiency) of expenditures and other sources (uses)	(36,898)	6,994	(16,911)	41	(46,774)
Fund balance, beginning	90,775	1,317	19,763	13,124	124,979
Fund balance, ending	\$ 53,877	\$ 8,311	\$ 2,852	\$ 13,165	\$ 78,205

AS OF: ACCT NO	DRAFT 6/30/2021 DESCRIPTION	THESE NUMBERS ARE SUBJECT TO CHANGE				2021	6		2021	50%	
		JUNE ACTUAL	MAY ACTUAL	APRIL ACTUAL	MARCH ACTUAL	CUR YTD ACTUAL	MO BUDGET	REMAINING BUDGET	ORIG BUDGET	% OF BUDGET	REMAINING BUDGET
<b>WATER</b>											
	BEGINNING RESERVE					341,600.00	341,600.00	-	-	-	
	INCOME	-	92,502.45	92,662.59	72,815.11	418,139.78	630,939.00	(212,799.22)	1,261,878.00	(843,738.22)	
	EXPENDITURE	-	41,256.88	68,516.54	40,982.58	334,526.68	630,939.00	296,412.32	1,261,878.00	(927,351.32)	
	NET CHANGE	-	51,245.57	24,146.05	31,832.53	83,613.10	-	83,613.10	-	83,613.10	
	ENDING RESERVE					425,213.10	341,600.00	83,613.10	-	83,613.10	
	25% MIN RESERVE					83,631.67					
	25 % OPERATION/MAINT RESERVE (\$1.25 MIL CAP)					83,631.67					
	110% REQUIREMENT					245,500.00					
	NET AVAILABLE RESERVE					12,449.76					
<b>SEWER</b>											
	BEGINNING RESERVE					587,520.00	587,520.00	587,520.00	587,520.00	587,520.00	
	INCOME	-	44,750.61	44,683.98	44,729.56	223,917.89	278,798.00	(54,880.11)	557,596.00	(333,678.11)	
	EXPENDITURE	-	29,572.93	33,819.88	100,399.03	212,525.72	278,798.00	66,272.28	557,596.00	(345,070.28)	
	NET CHANGE	-	15,177.68	10,864.10	(55,669.47)	11,392.17	-	11,392.17	-	11,392.17	
	ENDING RESERVE					598,912.17	587,520.00	598,912.17	587,520.00	598,912.17	
	25% MIN RESERVE					53,131.43					
	GRANT RESERVE					530,418.33					
	NET AVAILABLE RESERVE					15,362.41					
<b>GARBAGE</b>											
	BEGINNING RESERVE					130,368.00	130,368.00	130,368.00	130,368.00	130,368.00	
	INCOME	-	23,437.21	21,041.97	21,092.94	108,776.24	129,536.00	(20,759.76)	259,072.00	(150,295.76)	
	EXPENDITURE	-	17,959.07	24,799.12	18,673.60	101,724.04	135,057.00	33,332.96	259,072.00	(157,347.96)	
	NET CHANGE	-	5,478.14	(3,757.15)	2,419.34	7,052.20	(5,521.00)	12,573.20	-	7,052.20	
	ENDING RESERVE					137,420.20	124,847.00	142,941.20	130,368.00	137,420.20	
	50% MIN RESERVE					129,536.00					
	NET AVAILABLE RESERVE					7,884.20					

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL - WATER FUND

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Water charges	\$ 831,497	\$ 831,497	\$ 799,922	\$ (31,575)
Water taps	-	-	45,500	45,500
Sales and service	3,650	3,650	8,286	4,636
Water tank	4,550	4,550	5,850	1,300
Standby tap fees	44,115	44,115	53,584	9,469
Penalties	2,500	2,500	396	(2,104)
Rents	1,000	1,000	1,000	-
Grants	14,000	14,000	3,827	(10,173)
Miscellaneous revenue	-	-	755	755
Total revenues	<u>901,312</u>	<u>901,312</u>	<u>919,120</u>	<u>17,808</u>
<b>Expenditures</b>				
Salaries and wages	270,517	270,517	159,419	111,098
Employee benefits	3,736	3,736	50,732	(46,996)
John Norris retirement	20,160	20,160	20,160	-
Supplies	17,350	17,350	9,432	7,918
Legal and engineering	35,500	35,500	3,777	31,723
Repairs and maintenance	202,940	202,940	103,635	99,305
Professional fees	11,280	11,280	11,520	(240)
Telephone	4,175	4,175	4,468	(293)
Postage	4,900	4,900	4,244	656
Travel and meetings	3,500	3,500	32	3,468
Insurance and bonds	20,065	20,065	20,980	(915)
Utilities	25,000	25,000	30,926	(5,926)
Vehicle expense	10,000	10,000	7,938	2,062
Dues and subscriptions	1,850	1,850	1,849	1
Shop expense	4,250	4,250	3,617	633
Miscellaneous	11,465	11,465	11,904	(439)
Fees and permits	8,500	8,500	11,281	(2,781)
WPA loan	183,500	183,500	171,096	12,404
Drinking water revolving funds	23,350	23,350	23,343	7
Capital projects	15,000	15,000	-	15,000
Depreciation expense	-	-	325,068	(325,068)
Debt service, debt principal	-	-	(142,893)	142,893
Total expenditures	<u>877,038</u>	<u>877,038</u>	<u>832,528</u>	<u>44,510</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(24,274)	(24,274)	(32,605)	(8,331)
Total other financing sources (uses)	<u>(24,274)</u>	<u>(24,274)</u>	<u>(32,605)</u>	<u>(8,331)</u>
Change in net position	-	-	53,987	53,987
Beginning net position, GAAP basis	5,884,034	5,884,034	5,884,034	-
Ending net position, GAAP basis	<u>\$ 5,884,034</u>	<u>\$ 5,884,034</u>	<u>5,938,021</u>	<u>\$ 53,987</u>
Adjustments for capital assets and debt			(5,596,421)	
Available working capital			<u>\$ 341,600</u>	

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL - SEWER FUND

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Sewer charges	\$ 532,606	\$ 532,606	\$ 531,364	\$ (1,242)
Sewer taps	15,000	15,000	42,500	27,500
Grants	-	-	53,588	53,588
Interest	15,800	15,800	4,589	(11,211)
Miscellaneous revenue	-	-	2,172	2,172
<b>Total revenues</b>	<b>563,406</b>	<b>563,406</b>	<b>634,213</b>	<b>70,807</b>
<b>Expenditures</b>				
Salaries and wages	153,337	153,337	89,286	64,051
Employee benefits	961	961	26,799	(25,838)
Supplies	15,680	15,680	10,208	5,472
Repairs and maintenance	144,085	144,085	126,315	17,770
Professional fees	22,925	22,925	32,176	(9,251)
Telephone	1,600	1,600	1,578	22
Postage	2,100	2,100	2,125	(25)
Travel and meetings	2,000	2,000	32	1,968
Insurance and bonds	6,545	6,545	7,948	(1,403)
Utilities	34,000	34,000	31,325	2,675
Vehicle expense	6,500	6,500	7,704	(1,204)
Fees and permits	10,100	10,100	6,828	3,272
Bond issuance costs	-	-	75,050	(75,050)
Debt service payments	102,500	102,500	55,530	46,970
Gauging station	3,900	3,900	3,935	(35)
Depreciation	-	-	108,906	(108,906)
Capital outlay	15,000	15,000	-	15,000
Miscellaneous	27,820	27,820	16,738	11,082
<b>Total expenditures</b>	<b>549,053</b>	<b>549,053</b>	<b>602,483</b>	<b>(53,430)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(14,354)	(14,354)	(22,940)	(8,586)
<b>Total other financing sources (uses)</b>	<b>(14,354)</b>	<b>(14,354)</b>	<b>(22,940)</b>	<b>(8,586)</b>
<b>Change in net position</b>	<b>14,353</b>	<b>14,353</b>	<b>8,790</b>	<b>17,377</b>
Beginning net position, GAAP basis	3,783,687	3,783,687	3,783,687	-
Ending net position, GAAP basis	<u>\$ 3,798,040</u>	<u>\$ 3,798,040</u>	<u>3,792,477</u>	<u>\$ 17,377</u>
Adjustments for capital assets and debt			(3,204,957)	
Available working capital			<u>\$ 587,520</u>	

Town of Paonia, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL - TRASH FUND

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Garbage charges	\$ 216,000	\$ 216,000	\$ 221,323	\$ 5,323
<b>Expenditures</b>				
Salaries and wages	149,900	149,900	101,003	48,897
Employee benefits	3,561	3,561	34,572	(31,011)
Supplies	1,525	1,525	1,270	255
Repairs and maintenance	1,525	1,525	1,288	237
Legal and engineering	3,915	3,915	3,600	315
Telephone	500	500	570	(70)
Postage	1,000	1,000	1,029	(29)
Insurance and bonds	4,324	4,324	6,336	(2,012)
Utilities	1,900	1,900	3,037	(1,137)
Vehicle expense	13,550	13,550	7,859	5,691
Landfill fees	33,000	33,000	33,054	(54)
Miscellaneous	11,100	11,100	3,151	7,949
Depreciation	5,000	5,000	17,646	(12,646)
Capital outlay	6,500	6,500	-	6,500
Total expenditures	<u>237,300</u>	<u>237,300</u>	<u>214,415</u>	<u>22,885</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(6,480)	(6,480)	(6,605)	(125)
Total other financing sources (uses)	<u>(6,480)</u>	<u>(6,480)</u>	<u>(6,605)</u>	<u>(125)</u>
Change in net position	(27,780)	(27,780)	303	28,083
Beginning net position, GAAP basis	282,997	282,997	282,997	-
Ending net position, GAAP basis	<u>\$ 255,217</u>	<u>\$ 255,217</u>	<u>283,300</u>	<u>\$ 28,083</u>
Adjustments for capital assets			152,932	
Available working capital			<u>\$ 130,368</u>	

## Town of Paonia, Colorado

## STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business- Type Activities	Total
<b>Assets</b>			
Pooled cash and investments	\$ 710,281	\$ 859,620	\$ 1,569,901
Restricted cash and investments (Notes 5 and 10)	588,433	637,079	1,225,512
Property taxes receivable	134,107	-	134,107
Accounts receivable, net	130,056	143,142	273,198
Due from other governments	70,510	-	70,510
Inventories	-	115,634	115,634
FPPA net pension asset (Note 8)	13,092	-	13,092
Capital assets (Note 12)			
Nondepreciable	246,481	834,157	1,080,638
Depreciable, net of accumulated depreciation	3,067,980	11,585,673	14,653,653
Total Assets	<u>4,960,940</u>	<u>14,175,305</u>	<u>19,136,245</u>
<b>Deferred outflows of resources</b>			
FPPA pension (Note 8)	109,494	-	109,494
<b>Liabilities</b>			
Accounts payable	17,236	40,052	57,288
Accrued interest payable	-	18,856	18,856
Due to other funds	-	-	-
Unearned other revenue	400,000	-	400,000
<i>Noncurrent liabilities:</i>			
Due within one year (Note 6)	37,622	203,223	240,845
Due in more than one year (Note 6)	-	3,899,376	3,899,376
Total Liabilities	<u>454,858</u>	<u>4,161,507</u>	<u>4,616,365</u>
<b>Deferred inflows of resources</b>			
FPPA pension (Note 8)	21,636	-	21,636
Deferred property tax revenue	134,107	-	134,107
Total Deferred Inflows of Resources	<u>155,743</u>	<u>-</u>	<u>155,743</u>
<b>Net position</b>			
Net investment in capital assets	3,314,461	8,317,231	11,631,692
Restricted for:			
Emergencies (Note 3)	42,302	-	42,302
Airport capital improvements (Note 11)	44,892	-	44,892
Water utility maintenance (Note 6)	-	208,080	208,080
Debt service (Notes 6 and 10)	-	637,079	637,079
Unrestricted	1,058,178	851,408	1,909,586
Total Net Position	<u>\$ 4,459,833</u>	<u>\$ 10,013,798</u>	<u>\$ 14,473,631</u>

The accompanying notes are an integral part of this statement.

AGENDA SUMMARY FORM

	<p>Board Consideration of Town Line of Credit Loan Renewal</p>		
<p>Summary:</p>			
<p>Notes:</p> <p>The line of credit is utilized when the Town is operating with a significant reimbursement grant and need funds while waiting for reimbursement. Currently the line of credit is not being utilized but may be necessary in the upcoming years following review of the capital improvement plan. Town has used the line of credit on two occasions. In 2015 the line of credit was initiated for 1 million. In 2018 Town reduced the line of credit to \$200,000 - where it has remained.</p> <p>Currently there are no positive or negative impacts for retaining or closing the line of credit.</p>			
<p>Possible Motions:</p> <p>Motion by: _____ 2<sup>nd</sup>: _____ vote: _____</p>			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 20, 2021



August 20, 2020

United Business Bank  
128 Grand Avenue  
Paonia, CO 81428

To Whom It May Concern:

Please renew the Town's Line of Credit for \$200,000.00,

Please reinvest \$200,000.00 in to a one (1) year Certificate of Deposit to secure the above Line of Credit.

The signers are currently as follows:

Mary Bachran, Mayor  
Karen Budinger, Trustee  
Dave Knutson, Trustee  
Ross King, Treasurer  
Corinne Ferguson, Town Administrator

Please let me know if you need any additional information.

Thank you!

Mary Bachran  
Mayor

J. Corinne Ferguson  
Town Administrator

AGENDA SUMMARY FORM

	Board Consideration of Public Works Vehicle Acquisition		
Summary: Public Works Director Loberg request Board approval to move forward with acquisition of two vehicles as budgeted for in 2021.			
Notes:  Three bids were solicited. A summary of the process is attached. Two bids were received and are attached.  The Board approved a budget of \$90,000 for the purchase of two new vehicles in 2021 for public works.  Staff request Board approval to move forward with the acquisition of the two vehicles quotes by Spradley Barr for a total of: \$80,035.  Staff requests the Board approve the purchase, not to exceed \$90,000 to allow for shipping/freight cost contingency, which were not included in the quote.  Currently the Public Works Department operates 5 vehicles ranging in age from 1994 to 2014. The 2014 vehicles were department transfers from the police department fleet.			
Possible Motions:  Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

**2021**

Description	PROJECT	ACTUAL	REMAINING	2021	2020-2015	2014	2020	2019	2018	2017	2016
				SALES TAX	CELL TOWER		CARRY				
<b>AIRPORT</b>											
PAONIA SHARE AIRPORT	60,192.00		60,192.00	(7,650.00)	(45,900.00)	(6,642.00)					
<b>ADMINISTRATION</b>											
BUILDING CODE UPDATE	1,687.00		1,687.00				(1,687.00)				
TOWN HALL UPGRADE	38,037.00	4,871.68	33,165.32	(20,000.00)			(10,000.50)	(4,286.46)			(3,750.04)
COMPUTERS	7,550.00	3,625.46	3,924.54	(7,550.00)							
BIKE RACK	400.00		400.00					(400.00)			
<b>POLICE</b>											
VEHICLE	35,000.00	29,583.30	5,416.70	(35,000.00)							
<b>PUBLIC WORKS</b>											
STREETS	189,382.21		189,382.21	(35,000.00)			(49,226.38)	(45,540.62)	(14,725.00)	(14,132.04)	(30,758.17)
SIGN REPLACEMENT	6,894.00		6,894.00				(1,490.46)	(212.74)	(296.80)	(4,894.00)	
ELLEN HANSON SMITH CTR	20,000.00		20,000.00				(20,000.00)				
VEHICLE	90,000.00		90,000.00	(45,000.00)			(45,000.00)				
EQUIPMENT	112,705.00	25,881.67	86,823.33	(67,740.00)			(32,780.00)	(12,185.00)			
<b>TOTAL</b>	<b>561,847.21</b>	<b>63,962.11</b>	<b>497,885.10</b>	<b>(217,940.00)</b>	<b>(45,900.00)</b>	<b>(6,642.00)</b>	<b>(160,184.34)</b>	<b>(62,624.82)</b>	<b>(15,021.80)</b>	<b>(19,026.04)</b>	<b>(34,508.21)</b>
				<b>(210,290.00)</b>							

## Quotes for Public Works vehicles

### **Spradley Barr Greely**

2022 F-450 with flatbed and snowplow kit \$49,158.00

2022 F-250 standard package \$30,877.00

### **Ford Hellman**

2022 F-450 minus the flatbed and snowplow kit \$42,150.00

2022 F-250 standard package \$38,350.00

### **Chevy Hellman**

Contacted Daniel Abeyta at Chevy Hellman on July 7, 2021, regarding quotes for fleet vehicles for Public Works Department. Daniel was given the information as to what the town was looking for and said he would get back with the town.

August 5, 2021, a call was placed to Daniel, but there was no answer and no option to leave a message.

August 6, 2021, another call was place to Daniel, message was left but no return call has been received.

CNGP530

VEHICLE ORDER CONFIRMATION

07/26/21 15:30:04

==>

Dealer: F56478

2022 F-SERIES SD

Page: 1 of 2

Order No: 2222 Priority: D1 Ord FIN: QR791 Order Type: 5B Price Level: 230

Ord PEP: 600A Cust/Flt Name: TOWNOFPAONIA PO Number:

RETAIL

RETAIL

W2B F250 4X4 CREW/C \$41550  
 176" WHEELBASE  
 Z1 OXFORD WHITE  
 1 CLTH 40/20/40 315  
 S MEDIUM EARTH GR 425  
 600A PREF EQUIP PKG 512  
 .XL TRIM 52B  
 572 .AIR CONDITIONER NC  
 .AMFM/MP3/CLK  
 99T 6.7L V8 DIESEL 10495  
 44G 10-SPD AUTOMATC NC  
 TD8 .LT245 BSW AS 17  
 X31 3.31 REG AXLE NC  
 90L PWR EQUIP GROUP 1125  
 JOB #1 BUILD  
 525 CRUISE CONTROL \$235  
 TELE TT MIR-PWR  
 JACK  
 794 PRICE CONCESSN  
 REMARKS TRAILER  
 915 360 STROBE AMBR 675  
 SP DLR ACCT ADJ  
 SP FLT ACCT CR  
 FUEL CHARGE  
 B4A NET INV FLT OPT NC  
 PRICED DORA NC  
 DEST AND DELIV 1695

TRAILER TOW PKG  
 FLEET SPCL ADJ NC  
 FRT LICENSE BKT NC  
 10000# GVWR PKG  
 50 STATE EMISS NC  
 SPARE TIRE/WHL2 NC  
 BRAKE CONTROLLR 270

TOTAL BASE AND OPTIONS 56360  
 TOTAL 56360

*RETAIL*

\*THIS IS NOT AN INVOICE\*  
 \*TOTAL PRICE EXCLUDES COMP PR

\* MORE ORDER INFO NEXT PAGE \*  
 F8=Next

\*THIS IS NOT AN INVOICE\*  
 \*TOTAL PRICE EXCLUDES COMP PR

*YOUR COST*  
*\$ 42,150.00*

TOTAL BASE AND OPTIONS 56360  
 TOTAL 56360

F7=Prev

F1=Help

F2=Return to Order

F3/F12=Veh Ord Menu

F4=Submit

F5=Add to Library

F9=View Trailers

S099 - PRESS F4 TO SUBMIT

QC03145

## MAJOR PRODUCT SUMMARY

The 2022 Super Duty® reinforces the tough image of the F-Series and continues to meet the needs of both commercial and personal use customers.

The following equipment is standard as indicated. Each series includes the standard equipment of the previous series, except where otherwise noted:

XL	
<b>MECHANICAL</b>	
• Brakes	— Four-Wheel Disc Anti-lock Brake System (ABS)
• Electronic Shift-On-the-Fly (ESOF)	(4x4 only)
• Engine	— F-250/F-350 – 6.2L 2 Valve Gas SOHC EFI NA V8 (Flex-Fuel)
• Transmission	— F-450 – 6.7L 4 Valve OHV Power Stroke® V8 Turbo Diesel B20
• TorqShift®-G	six-speed automatic w/SelectShift® (F-250 w/6.2L gas)
• TorqShift®	ten-speed automatic w/Selectable Drive Modes: Normal, Tow/Haul, Eco, Deep Sand/Snow & Slippery (NA F-250 w/6.2L gas engine)
<b>EXTERIOR</b>	
• Bumpers	— front & rear, black painted
• Fender vents	— front
• Glass	— solar-tinted
• Grille	— black painted
• Handles	— door & tailgate, black
• Jack	— 2-Ton mechanical (250/350 SRW)
• Splash Guards/Hub Flaps	— Front (F-450 only)
• Tailgate	— Removable w/way lock
• "Three-Blink" lane change signal	
• Tow hooks	— front, two (2)
• Trailer Sway Control	
• Trailer Tow Package	— 7-wire harness w/relays & 7/4 pin connector
• Wheels	— F-250/F-350 SRW – 17" Argent Painted Steel w/painted hub covers/center ornaments
	— F-350 DRW – 17" Argent Painted Steel (hub covers/center ornaments not included)
	— F-450 – 18.5" Forged Polished Aluminum w/bright hub covers/center ornaments
	— Manual Locking Hubs (4x4)
	— Spare tire, wheel, lock & carrier
• Windshield wipers	— intermittent
<b>INTERIOR/COMFORT</b>	
• 2.3" Productivity Screen	in IP Cluster
• Air conditioning	— manual, single zone
• Cabin Air Particulate Filter	
• Door-kick	— mirror/grab handle & reflector
• Floor covering	— Black, full length vinyl
• Instrumentation	— Multi-function switch message center w/ice Blue® Lighting
• Mirror	— rearview 11.5" day/night
• Outside Temperature Display	
• Overhead console	— storage bins and map lights (NA Regular Cab)
• Powerpoint	— auxiliary two (2) in instrument panel
• Scuff plates	— front, color-coordinated
• Seats	— Front, HD vinyl, 40/20/40 split bench w/center armrest, cupholder and storage (manual lumbar – driver's side), front-center-seat w/integrated restraint
• Steering wheel	— black urethane with tilt and telescoping steering wheel/column; includes three (3) button message control
• Sun visors	— color-coordinated vinyl, driver w/pocket, passenger w/uncovered mirror
• Window	— Rear, fixed
<b>SAFETY/SECURITY</b>	
• AdvanceTrac®	with RSC® (Roll Stability Control™)
• Belt-Minders®	(front safety belt reminder)
• Chime & flashing warning light	on TP if belts not buckled
• Center High-mounted Stop Lamp (CHMSL)	
• Driver and passenger frontal airbag;	passenger side deactivation Switch
• Engine Only Traction Control (DRW only)	
• Headlamps	— Quad beam Jewel effect halogen
• Individual Tire Pressure Monitoring System (TPMS)	— SRW/F-350 DRW only
• Mirrors	— manually telescoping two-way fold trailer tow with manual glass
• Rear View Camera	
• Safety belts	— w/weight adjustment D-ring
• Safety Canopy® System	(incl. side-curtain airbags)
• SecureLock® Passive Anti-Theft System;	includes MyKey® owner controls feature (PATS)
• SOS Post-Crash Alert System™	
• Stationary Elevated Idle Control	
<b>FORD CO-PILOT360™ TECHNOLOGY</b>	
• AutoLamp (Auto On/Off Headlamps)	
• Hill Start Assist	
<b>FUNCTIONAL</b>	
• Audio	— AM/FM stereo/MP3 Player (four (4))
• FordPass Connect™ (4G)	
• 4G LTE Wi-Fi hotspot	connects up to 10 devices¹
• Remotely start, lock and unlock vehicle²	2
• Schedule specific times to remotely start vehicle	
• Locate parked vehicle	
• Check vehicle status	
Note: Ford Telematics™ and Data Services Prep included for Fleet Only; FordPass Connect™ (4G) Wi-Fi Modem provides data to support telematics and data services including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts. Device enables telematics services through Ford or authorized providers. Activate at <a href="http://www.ford.com">www.ford.com</a> or call 833-FCS-FORD or 833-327-3673.	
• Rear axle	— Non-Limited-Slip (F-250 and F-350)
	— 4.30 Limited-Slip (F-450)
• SYNC®	
• Enhanced Voice Recognition Communication and Entertainment System	
• 911 Assist®	
• 4.2" LCD Center Stack screen	
• AppLink®	
• Smart-Charging USB-C port	— one (1)

Please see Standard Equipment pages for more details.

¹ Wi-Fi hotspot includes wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to [www.ford.com](http://www.ford.com).

² FordPass Connect™ (optional on select vehicles), the Ford Pass App., and Complimentary Connected Services are required for remote features (see FordPass Terms for details). Connected Service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services excludes Wi-Fi hotspot.

³ Navigation services require SYNC® and FordPass Connect (optional on select vehicles), complimentary connected service and the FordPass app (see FordPass Terms for details). Customer receives a complimentary 90-day trial of navigation services when an eligible vehicle is added to a member's FordPass account. Trial period begins on the new vehicle warranty start date. At the end of the complimentary period, navigation service will terminate. Connected service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features.

FordPass App, compatible with select smartphone platforms. Is available via a download. Message and data rates may apply. Ford Telematics™ and Ford Data Services™ subscription services available only for fleet customers, provide access to manufacturer-grade data including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics, and maintenance alerts. Ford Telematics Drive mobile app for drivers is also available for Ford Telematics subscribers. FordPass Connect™ 4G Wi-Fi Modem enables Ford Telematics service directly from Ford or Ford Data Services through authorized providers. Learn more at [www.ford.com](http://www.ford.com) or activate by calling 833-FCS-Ford, (833-327-3673).

## Product Features Availability

Features, options and packages content subject to change.

CNGP530

VEHICLE ORDER CONFIRMATION

07/26/21 15:36:38

=>

Dealer: F56478

2022 F-SERIES SD

Page: 1 of 2

Order No: 2222 Priority: D1 Ord FIN: QR791 Order Type: 5B Price Level: 230

Ord PEP: 650A Cust/Flt Name: TOWNOFPAONIA PO Number:

RETAIL

RETAIL

F4H F450 4X4 CHAS/C \$43415  
 145" WHEELBASE  
 Z1 OXFORD WHITE  
 L 40/CNSL/40 VNYL 355  
 S MEDIUM EARTH GR  
 650A PREF EQUIP PKG  
 .XL TRIM  
 572 .AIR CONDITIONER NC  
 .AMFM/MP3/CLK  
 99N .7.3L DEV V8 ENG  
 44G 10-SPD AUTOMATC NC  
 TGJ 225 BSW AP 19.5  
 X48 4.88 REG AXLE NC  
 90L PWR EQUIP GROUP 915  
 TELE TT MIR-PWR

FLEET SPCL ADJ NC  
 FRT LICENSE BKT NC  
 TPMS DELETE  
 16500# GVWR PKG  
 425 50 STATE EMISS NC  
 JOB #1 BUILD  
 512 SPARE TIRE/WHL2 350

TOTAL BASE AND OPTIONS 48210

TOTAL 48210

*- RETAIL*

\*THIS IS NOT AN INVOICE\*

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\* MORE ORDER INFO NEXT PAGE \*

F8=Next

52B BRAKE CONTRLLR \$270  
 525 CRUISE CONTROL 235  
 59H HI MNT STOP LMP NC  
 61J JACK NC  
 63A UTLTY LIGHT SYS 160  
 76C EX BACKUP ALARM 140  
 794 PRICE CONCESSN  
 REMARKS TRAILER  
 91S 360 STROBE AMBR 675  
 SP DLR ACCT ADJ  
 SP FLT ACCT CR  
 FUEL CHARGE  
 B4A NET INV FLT OPT NC  
 PRICED DORA NC  
 DEST AND DELIV 1695

TOTAL BASE AND OPTIONS 48210

TOTAL 48210

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\*TOTAL PRICE EXCLUDES COMP PR

*your cost*  
~~\$~~ 38,350.00

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S099 - PRESS F4 TO SUBMIT

QC03145

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<b>MECHANICAL</b>	
• Brakes	Four-Wheel Disc Anti-lock Brake System (ABS)
• Electronic Shift-On-the-Fly (ESOF)	(4x4 only)
• Engine	— F-250/F-350 – 6.2L 2 Valve Gas SOHC EFI V8 (Flex-Fuel) — F-450 – 6.7L 4 Valve OHV Power Stroke® V8 Turbo Diesel B20
• Transmission	— TorqShift®-G six-speed automatic w/SelectShift® (F-250 w/6.2L gas) — TorqShift® ten-speed automatic w/Selectable Drive Modes: Normal, Tow/Haul, Eco, Deep Sand/Snow & Slippery (NA F-250 w/6.2L gas engine)
<b>EXTERIOR</b>	
• Bumpers	front & rear, black painted
• Fender vents	front
• Glass	solar-limited
• Grille	black painted
• Handles	door & tailgate, black
• Jack	— 2-Ton mechanical (250/350 SRW) — 4-Ton hydraulic (350 DRW/450)
• Splash Guards	and Flaps – Front (F-450 only)
• Tailgate	– Removable w/wirey lock
• "Three-Blink" lane change signal	
• Tow hooks	front, two (2)
• Trailer Sway Control	
• Trailer Tow Package	– 7-wire harness wirelays & 7/4 pin connector
• Wheels	— F-250/F-350 SRW – 17" Argent Painted Steel w/painted hub covers/center ornaments — F-350 DRW – 17" Argent Painted Steel (hub covers/center ornaments not included) — F-450 – 19.5" Forged Polished Aluminum w/bright hub covers/center ornaments — Manual Locking Hubs (4x4) — Spare tire, wheel, lock & carrier
• Windshield wipers	– intermittent
<b>INTERIOR/COMFORT</b>	
• 2.3" Productivity Screen	in IP Cluster
• Air conditioning	– manual, single zone
• Cabin Air Particulate Filter	
• Door-lin	– armrest/grab handle & reflector
• Floor covering	– black, full length vinyl
• Instrumentation	– full-function switch message center w/ice Blue® Lighting
• Mirror	– rearview 11.5" day/night
• Outside Temperature Display	
• Overhead console	w/total storage bins and map lights (NA Regular Cab)
• Powerpoint	– auxiliary two (2) in instrument panel
• Scout plates	– front, color-coordinated
• Seats	– Front, HD vinyl, 40/20/40 split bench w/center armrest, cupholder and storage (manual lumbar – driver's side), front center-seat w/integrated restraint
• Steering wheel	– black urethane with tilt and telescoping steering wheel/column; includes three (3) button message control
• Sun visors	– color-coordinated vinyl, driver w/pocket, passenger w/uncovered mirror
• Window	– Rear, fixed
<b>SAFETY/SECURITY</b>	
• Advance Trac®	w/ RSC® (Roll Stability Control™)
• Belt-linder®	(front safety belt reminder) – chime & flashing warning light on trip if belts not buckled
• Center High-mounted Stop Lamp (CHMSL)	
• Driver and passenger frontal airbag	passenger side deactivation switch
• Engine Only Traction Control (DRW only)	
• Headlamps	– Quad beam jewel effect halogen
• Individual Tire Pressure Monitoring System (TPMS)	– SRWF-350 DRW only
• Mirrors	– manually telescoping two-way fold trailer tow with manual glass
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• Safety belts	– weight adjustment D-ring
• Safety Canopy® System	(incl. side-curtain airbags)
• Security®	Passive Anti-Theft System; includes MyKey® owner controls feature (PATS)
• SOS Post-Crash Alert System™	
• Stationary Elevated Idle Control	
<b>FORD CO-PILOT360™ TECHNOLOGY</b>	
• Autolamp	(Auto On/Off Headlamps)
• Hill Start Assist	
<b>FUNCTIONAL</b>	
• Audio	– AM/FM stereo/MP3 Player (four (4))
• FordPass Connect™ (4G)	– 4G LTE Wi-Fi hotspot connects up to 10 devices <sup>1</sup> – Remotely start, lock and unlock vehicle <sup>2</sup> – Schedule specific times to remotely start vehicle <sup>2</sup> – Locate parked vehicle <sup>2</sup> – Check vehicle status <sup>2</sup> Note: Ford Telematics™ and Data Services Prep included for Fleet Only. FordPass Connect™ (4G) Wi-Fi Modem provides data to support telematics and data services including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts. Device enables telematics services through Ford or authorized providers. Activate at <a href="http://www.fordford.com">www.fordford.com</a> or call 833-FCS-Ford or 833-327-3673.
• Rear axle	– Non-Limited-Slip (F-250 and F-350) – 4.30 Limited-Slip (F-450)
• SYNC®	– Enhanced Voice Recognition Communication and Entertainment System – 911 Assist® – 4.2" LCD Center Stack screen – AppLink® – Smart-Charging USB-C port – one (1)

Please see Standard Equipment pages for more details.

<sup>1</sup> Wi-Fi hotspot includes wireless data trial that begins upon AT&T activation and expires at the end of 3 months or when 3GB of data is used, whichever comes first, but cannot extend beyond the trial subscription period for remote features. To activate, go to [www.ford.com](http://www.ford.com).

<sup>2</sup> FordPass Connect™ (optional on select vehicles), the Ford Pass App, and Complimentary Connected Services are required for remote features (see FordPass Terms for details). Connected Service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected services excludes Wi-Fi hotspot.

<sup>3</sup> Navigation services require SYNC®4 and FordPass Connect (optional on select vehicles), complimentary connect service and the FordPass app (see FordPass Terms for details). Customer receives a complimentary 90-day trial of navigation services when an eligible vehicle is added to a member's FordPass account. Trial period begins on the new vehicle warranty start date. At the end of the complimentary period, navigation services will terminate. Connected service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features.

FordPass App, compatible with select smartphone platforms, is available via a download. Messages and data rates may apply. Ford Telematics™ and Ford Data Services™ subscription services available only for fleet customers, provide access to manufacturer-grade data including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics, and maintenance alerts. Ford Telematics Drive mobile app for drivers is also available for Ford Telematics subscribers. FordPass Connect™ 4G Wi-Fi Modem enables Ford Telematics service directly from Ford or Ford Data Services through authorized providers. Learn more at [www.fordford.com](http://www.fordford.com) or activate by calling 833-FCS-Ford, (833-327-3673).

## Product Features Availability

Features, options and package content subject to change.

Clarifications & Deviations:

\* DUAL FUEL TANKS - N/A W/ 7.3L V8 GAS ENGINE \*

TOWN OF PAONIA  
2022 F-450 CAB CHASSIS  
VEHICLE AS SPEC'D BELOW-----\$ 36,163.00  
9 FT FLATBED-----\$ 7,997.00

MEYER PLOW 7.5 LOT PRO  
(NOT RECOMMENDED ON DRW CAB CHASSIS)---\$ 4,998.00

NO OTHER UPFITS OR DELIVERY  
INCLUDED IN ABOVE PRICING

John Wieneke  
Commercial Account Manger  
Spradley Barr Greeley  
970-506-3621  
jwieneke@sbgford.com  
State Award 166122  
Arapahoe Award RFP-19-48

---

2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

---



**Client Proposal**

Prepared by:  
John Wieneke  
Office: 970-506-3621  
Email: jwieneke@sbgford.com  
Date: 06/23/2021





Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

## 2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

### As Configured Vehicle

Code	Description
<b>Base Vehicle</b>	
F4H	Base Vehicle Price (F4H)
<b>Packages</b>	
650A	<p>Order Code 650A</p> <p><i>Includes:</i></p> <ul style="list-style-type: none"> <li>- Engine: 7.3L 2V DEVCT NA PFI V8 Gas</li> <li>- Transmission: TorqShift 10-Speed Automatic 10R140 with neutral idle and selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery.</li> <li>- 4.88 Axle Ratio</li> <li>- GVWR: 16,500 lb Payload Package</li> <li>- Tires: 225/70Rx19.5G BSW A/P</li> <li>- Wheels: 19.5" x 6" Argent Painted Steel Hub covers/center ornaments not included.</li> <li>- HD Vinyl 40/20/40 Split Bench Seat Includes center armrest, cupholder, storage and driver's side manual lumbar.</li> <li>- Radio: AM/FM Stereo w/MP3 Player Includes 4 speakers.</li> <li>- SYNC Communications &amp; Entertainment System Includes enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB port and steering wheel audio controls.</li> </ul>
<b>Powertrain</b>	
99N	Engine: 7.3L 2V DEVCT NA PFI V8 Gas
44G	<p>Transmission: TorqShift 10-Speed Automatic</p> <p>10R140 with neutral idle and selectable drive modes: normal, tow/haul, eco, deep sand/snow and slippery.</p>
X48	4.88 Axle Ratio
STDGV	GVWR: 16,500 lb Payload Package
<b>Wheels &amp; Tires</b>	
TGJ	Tires: 225/70Rx19.5G BSW A/P
64Z	<p>Wheels: 19.5" x 6" Argent Painted Steel</p> <p>Hub covers/center ornaments not included.</p>
512	<p>Spare Tire, Wheel &amp; Jack</p> <p>Required in Rhode Island.</p> <p><i>Excludes carrier.</i></p> <p><i>Includes:</i></p> <ul style="list-style-type: none"> <li>- 6-Ton Hydraulic Jack</li> </ul>

### Seats & Seat Trim

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

As Configured Vehicle (cont'd)

Code	Description
A	<p><b>HD Vinyl 40/20/40 Split Bench Seat</b></p> <p><i>Includes center armrest, cupholder, storage and driver's side manual lumbar.</i></p>
<b>Other Options</b>	
PAINT	<b>Monotone Paint Application</b>
145WB	<b>145" Wheelbase</b>
STDRD	<p><b>Radio: AM/FM Stereo w/MP3 Player</b></p> <p><i>Includes 4 speakers.</i></p> <p><i>Includes:</i></p> <ul style="list-style-type: none"> <li>- SYNC Communications &amp; Entertainment System</li> <li>- Includes enhanced voice recognition, 911 Assist, 4.2" LCD center stack screen, AppLink, 1 smart-charging USB port and steering wheel audio controls.</li> </ul>
90L	<p><b>Power Equipment Group</b></p> <p><i>Deletes passenger side lock cylinder. Includes upgraded door-trim panel.</i></p> <p><i>Includes:</i></p> <ul style="list-style-type: none"> <li>- Accessory Delay</li> <li>- Advanced Security Pack</li> <li>- Includes SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors.</li> <li>- Folding Trailer Tow Mirrors w/Power Heated Glass</li> <li>- Includes manual telescoping, heated convex spotter mirror and integrated clearance lamps/turn signals.</li> <li>- MyKey</li> <li>- Includes owner controls feature.</li> <li>- Power Front Side Windows</li> <li>- Includes 1-touch up/down driver/passenger window.</li> <li>- Power Locks</li> <li>- Remote Keyless Entry</li> </ul>
473	<p><b>Snow Plow Prep Package</b></p> <p><i>Includes pre-selected springs (see order guide supplemental reference for springs/FGAWR of specific vehicle configurations). Note 1: Restrictions apply; see supplemental reference or body builders layout book for details. Note 2: Also allows for the attachment of a winch. Note 3: Highly recommended to add (86M) dual battery on 7.3L gas engines. Adding (67B) 397 amp alternators for diesel engine is highly recommended for max output.</i></p>
61J	<p><b>6-Ton Hydraulic Jack</b></p> <p><b>Required in Rhode Island.</b></p>
86M	<b>Dual 78 AH Battery</b>
67B	<b>397 Amp Alternators</b>
63A	<p><b>Utility Lighting System</b></p> <p><i>Includes LED side-mirror spotlights.</i></p>
59H	<b>Center High-Mounted Stop Lamp (CHMSL)</b>
872	<b>Rear View Camera &amp; Prep Kit</b>

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SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

**2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)**

Price Level: 230

**As Configured Vehicle (cont'd)**

Code	Description
153	<i>Pre-installed content includes cab wiring and frame wiring to the rear most cross member. Upfilters kit includes camera with mounting bracket, 20' jumper wire and camera mounting/aiming instructions.</i> <b>Front License Plate Bracket</b> Standard in states requiring 2 license plates and optional to all others.
<b>Fleet Options</b>	
525	<b>Steering Wheel-Mounted Cruise Control (LPO)</b> Requires valid FIN code.
<b>Emissions</b>	
425	50-State Emissions System
<b>Interior Color</b>	
AS_01	Medium Earth Gray
<b>Exterior Color</b>	
Z1_01	Oxford White

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SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

## 2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

### Selected Equip & Specs

#### Dimensions

- Exterior length: 230.7" • Cab to axle: 60.0" • Exterior width: 80.0" • Exterior height: 81.5" • Wheelbase: 145.0" • Front track: 74.8" • Rear track: 74.0" • Turning radius: 21.2' • Rear tire outside width: 93.9" • Min ground clearance: 8.2" • Front legroom: 43.9" • Front headroom: 40.8" • Front hiproom: 62.5" • Front shoulder room: 66.7" • Passenger volume: 64.6cu.ft.
- Cargo volume: 11.6cu.ft. • Maximum cargo volume: 11.6cu.ft.

#### Powertrain

- 350hp 7.3L OHV 16 valve V-8 engine with DEVCT variable valve control, SMPI • Recommended fuel : regular unleaded
- federal • TorqShift 10 speed automatic transmission with overdrive • Part-time • Fuel Economy Cty: N/A • Fuel Economy Highway: N/A

#### Suspension/Handling

- Front Mono-beam non-independent suspension with anti-roll bar, HD shocks • Rear DANA M300 rigid axle leaf spring suspension with anti-roll bar, HD shocks • Firm ride Suspension • Hydraulic power-assist re-circulating ball Steering • Front and rear 19.5 x 6 argent steel wheels • LT225/70SR19.5 GBSW AS front and rear tires • Dual rear wheels

#### Body Exterior

- 2 doors \* **Driver and passenger power remote heated, manual folding door mirrors with turn signal indicator \* Turn signal indicator in mirrors** • Black door mirrors • Black bumpers • Trailer harness • Clearcoat paint • Front and rear 19.5 x 6 wheels • 2 front tow hook(s)

#### Convenience

- Manual air conditioning with air filter \* **Cruise control with steering wheel controls \* Power front windows \* Driver and passenger 1-touch up \* Driver and passenger 1-touch down \* Remote power door locks with 2 stage unlock and illuminated entry** • Manual tilt steering wheel • Manual telescopic steering wheel • Day-night rearview mirror • FordPass Connect 4G internet access • 911 Assist emergency SOS • Wireless phone connectivity • Applink smart device integration • 2 1st row LCD monitors • Front cupholders • Passenger visor mirror \* **Driver and passenger door bins** • Upfitter switches

#### Seats and Trim

- Seating capacity of 3 • Front 40-20-40 split-bench seat • 4-way driver seat adjustment • Manual driver lumbar support • 4-way passenger seat adjustment • Centre front armrest with storage

#### Entertainment Features

- AM/FM stereo radio • SYNC external memory control • Steering wheel mounted radio controls • 4 speakers • Streaming audio • Fixed antenna

#### Lighting, Visibility and Instrumentation

- Halogen aero-composite headlights • Delay-off headlights • Auto on/off headlights • Variable intermittent front windshield wipers • Light tinted windows • Front reading lights • Tachometer • Oil pressure gauge • Compass • Outside temperature display \* **Camera(s) - rear** • Trip computer • Trip odometer

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06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

## Selected Equip & Specs (cont'd)

### Safety and Security

• 4-wheel ABS brakes • Brake assist • 4-wheel disc brakes • Driveline traction control • Dual front impact airbag supplemental restraint system with passenger cancel • Dual seat mounted side impact airbag supplemental restraint system • Safety Canopy System curtain 1st row overhead airbag supplemental restraint system \* **Remote activated perimeter/approach lighting** \* **Power remote door locks with 2 stage unlock and panic alarm** \* **Security system with SecuriLock immobilizer** \* **MyKey restricted driving mode** • Manually adjustable front head restraints

### Dimensions

#### General Weights

* <b>Curb</b>	<b>7,117 lbs.</b>	GWR	16,500 lbs.
Payload	9,540 lbs.		

#### Front Weights

* <b>Front GAWR</b>	<b>6,500 lbs.</b>	* <b>Front curb weight</b>	<b>4,028 lbs.</b>
Front axle capacity	7,000 lbs.	* <b>Front spring rating</b>	<b>6,500 lbs.</b>
Front tire/wheel capacity	7,500 lbs.		

#### Rear Weights

Rear GAWR	12,880 lbs.	* <b>Rear curb weight</b>	<b>3,089 lbs.</b>
Rear axle capacity	12,880 lbs.	Rear spring rating	13,660 lbs.
Rear tire/wheel capacity	15,000 lbs.		

#### Trailer Type

Harness	Yes	Trailer sway control	Yes
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#### General Trailering

5th-wheel towing capacity	20100 lbs.	Gooseneck towing capacity	20100 lbs.
Towing capacity	17500 lbs.	GCWR	28000 lbs.

#### Fuel Tank type

Capacity	40 gal.
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#### Off Road

Min ground clearance	8 "
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#### Interior cargo

Cargo volume	11.6 cu.ft.	Maximum cargo volume	11.6 cu.ft.
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#### Rear Frame

Height loaded	29 "	Height unloaded	35 "
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### Powertrain

#### Engine Type

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Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

## 2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

### Selected Equip & Specs (cont'd)

Block material	Iron	Cylinders	V-8
Head material	Aluminum	Ignition	Spark
Injection	Sequential MPI	Liters	7.3L
Orientation	Longitudinal	Recommended fuel	Regular unleaded
Valves per cylinder	2	Valvetrain	OHV
Variable valve control	DEVCT		

#### Engine Spec

Bore	4.21"	Compression ratio	10.5:1
Displacement	445 cu.in.	Stroke	3.98"

#### Engine Power

SAEJ1349 AUG2004 compliant	Yes	Output	350 HP @ 3,900 RPM
Torque	468 ft.-lb @ 3,900 RPM		

#### Alternator

* Type	Dual	* Amps	397
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#### Battery

Amp hours	78	Cold cranking amps	750
Run down protection	Yes	* Type	Dual

#### Transmission

Electronic control	Yes	Lock-up	Yes
Overdrive	Yes	Speed	10
Type	Automatic		

#### Transmission Gear Ratios

1st	4.696	2nd	2.985
3rd	2.146	4th	1.769
5th	1.52	6th	1.275
7th	1	8th	0.854
9th	0.689	10th	0.616
Reverse Gear ratios	4.866		

#### Transmission Extras

Driver selectable mode	Yes	Sequential shift control	SelectShift
Oil cooler	Regular duty		

#### Drive Type

4wd type	Part-time	Type	Four-wheel
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#### Drive Feature

Traction control	Driveline	Locking hub control	Auto
Transfer case shift	Electronic		

#### Drive Axle

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SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

**Selected Equip & Specs (cont'd)**

Ratio ..... 4.88

*Exhaust*

Material ..... Stainless steel      System type ..... Single

*Emissions*

CARB ..... Federal

*Fuel Economy*

Fuel type ..... Gasoline

**Driveability**

*Brakes*

ABS ..... 4-wheel      ABS channels ..... 3  
Type ..... 4-wheel disc      Vented discs ..... Front and rear

*Brake Assistance*

Brake assist ..... Yes

*Suspension Control*

Ride ..... Firm

*Front Suspension*

Independence ..... Mono-beam non-independent      Anti-roll bar ..... Regular

*Front Spring*

Type ..... Coil      \* Grade ..... HD

*Front Shocks*

Type ..... HD

*Rear Suspension*

Independence ..... DANA M300 rigid axle      Type ..... Leaf  
Anti-roll bar ..... Regular

*Rear Spring*

Type ..... Leaf      Grade ..... HD

*Rear Shocks*

Type ..... HD

*Steering*

Activation ..... Hydraulic power-assist      Type ..... Re-circulating ball

*Steering Specs*

# of wheels ..... 2

**Exterior**

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**2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)**

Price Level: 230

**Selected Equip & Specs (cont'd)**

*Front Wheels*

Diameter .....	19.5"	Width .....	6.00"
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*Rear Wheels*

Diameter .....	19.5"	Width .....	6.00"
Dual .....	Yes		

*Spare Wheels*

\* Wheel material ..... **Steel**

*Front and Rear Wheels*

Appearance .....	Argent	Material .....	Steel
------------------	--------	----------------	-------

*Front Tires*

Aspect .....	70	Diameter .....	19.5"
Sidewalls .....	BSW	Speed .....	S
Tread .....	AS	Type .....	LT
Width .....	225mm	LT load rating .....	G
RPM .....	647		

*Rear Tires*

Aspect .....	70	Diameter .....	19.5"
Sidewalls .....	BSW	Speed .....	S
Tread .....	AS	Type .....	LT
Width .....	225mm	LT load rating .....	G
RPM .....	647		

*Spare Tire*

* Mount .....	<b>Frame mounted</b>	* Type .....	<b>Full-size</b>
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*Wheels*

Front track .....	74.8"	Rear track .....	74.0"
Turning radius .....	21.2'	Wheelbase .....	145.0"
Rear tire outside width .....	93.9"		

*Body Features*

* Front license plate bracket .....	<b>Yes</b>	Front splash guards .....	Yes
Body material .....	Aluminum	Side impact beams .....	Yes
Front tow hook(s) .....	2		

*Body Doors*

Door count .....	2
------------------	---

*Exterior Dimensions*

Length .....	230.7"	Body width .....	80.0"
Body height .....	81.5"	Cab to axle .....	60.0"

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2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

### Selected Equip & Specs (cont'd)

Axle to end of frame	47.2"	Frame section modulus	12.7cu.in.
Frame yield strength (psi)	50000.0	Frame rail width	34.2"
Front bumper to Front axle	38.3"	Cab to end of frame	107.2"
Front bumper to back of cab	123.7"		

### Safety

#### Airbags

Driver front-impact	Yes	Driver side-impact	Seat mounted
Overhead Safety Canopy System curtain 1st row		Passenger front-impact	Cancellable
Passenger side-impact	Seat mounted		

#### Seatbelt

Height adjustable Front

#### Security

* Immobilizer	SecuriLock	* Panic alarm	Yes
* Restricted driving mode	MyKey		

### Seating

#### Passenger Capacity

Capacity 3

#### Front Seats

Split 40-20-40 Type Split-bench

#### Driver Seat

Fore/aft Manual Reclining Manual  
Way direction control 4 Lumbar support Manual

#### Passenger seat

Fore/aft Manual Reclining Manual  
Way direction control 4

#### Front Head Restraint

Control Manual Type Adjustable

#### Front Armrest

Centre Yes Storage Yes

#### Front Seat Trim

Material Vinyl Back material Vinyl

### Convenience

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**2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)**

Price Level: 230

**Selected Equip & Specs (cont'd)**

*AC And Heat Type*

Air conditioning ..... Manual      Air filter ..... Yes

*Audio System*

Radio ..... AM/FM stereo      Radio grade ..... Regular  
Seek-scan ..... Yes      External memory control ..... SYNC

*Audio Speakers*

Speaker type ..... Regular      Speakers ..... 4

*Audio Controls*

Steering wheel controls ..... Yes      Voice activation ..... Yes  
Streaming audio ..... Bluetooth yes

*Audio Antenna*

Type ..... Fixed

*LCD Monitors*

1st row ..... 2      Primary monitor size (inches) ..... 4.2

*Cruise Control*

**\* Cruise control With steering wheel controls**

*Convenience Features*

**\* Retained accessory power** ..... Yes      12V DC power outlet ..... 3  
Emergency SOS ..... 911 Assist      Wireless phone connectivity ..... Bluetooth  
Smart device integration ..... App link      Upfitter switches ..... Yes

*Door Lock Activation*

**\* Type** ..... **Power with 2 stage unlock**      **\* Remote** ..... **Keyfob (all doors)**  
**\* Integrated key/remote** ..... Yes

*Door Locks Extra FOB Controls*

Remote engine start ..... Smart device only

*Instrumentation Type*

Appearance ..... Analog

*Instrumentation Gauges*

Tachometer ..... Yes      Oil pressure ..... Yes  
Engine temperature ..... Yes      Transmission fluid temp ..... Yes  
Engine hour meter ..... Yes

*Instrumentation Warnings*

Oil pressure ..... Yes      Engine temperature ..... Yes  
Battery ..... Yes      Lights on ..... Yes  
Key ..... Yes      Low fuel ..... Yes

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2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

**Selected Equip & Specs (cont'd)**

Door ajar ..... Yes      Service interval ..... Yes  
Brake fluid ..... Yes

*Instrumentation Displays*

Clock ..... In-radio display ..... Compass ..... Yes  
Exterior temp ..... Yes      Systems monitor ..... Yes  
\* **Camera(s) - rear** ..... **Yes**

*Instrumentation Feature*

Trip computer ..... Yes      Trip odometer ..... Yes

*Steering Wheel Type*

Material ..... Urethane      Tilting ..... Manual  
Telescoping ..... Manual

*Front Side Windows*

\* **Window 1st row activation** ..... **Power**

*Window Features*

\* **1-touch down** ..... **Driver and passenger**      \* **1-touch up** ..... **Driver and passenger**  
Tinted ..... Light

*Front Windshield*

Wiper ..... Variable intermittent

*Rear Windshield*

Window ..... Fixed

**Interior**

*Passenger Visor*

Mirror ..... Yes

*Rear View Mirror*

Day-night ..... Yes

*Headliner*

Coverage ..... Full      Material ..... Cloth

*Floor Trim*

Coverage ..... Full      Covering ..... Vinyl/rubber

*Trim Feature*

Gear shifter material ..... Urethane      Interior accents ..... Chrome

*Lighting*

Dome light type ..... Fade      Front reading ..... Yes  
\* **Illuminated entry** ..... **Yes**      Variable IP lighting ..... Yes

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06/23/2021

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2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)

Price Level: 230

## Selected Equip & Specs (cont'd)

### Storage

* <b>Driver door bin</b> .....	<b>Yes</b>	Front Beverage holder(s) .....	<b>Yes</b>
Glove box .....	Locking	* <b>Passenger door bin</b> .....	<b>Yes</b>
Illuminated .....	Yes	Instrument panel .....	Covered bin
Dashboard .....	Yes		

### Legroom

Front ..... 43.9"

### Headroom

Front ..... 40.8"

### Hip Room

Front ..... 62.5"

### Shoulder Room

Front ..... 66.7"

### Interior Volume

Passenger volume ..... 64.6 cu.ft.

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**2022 F-450 Chassis 4x4 SD Regular Cab 145" WB DRW XL (F4H)**

Price Level: 230

## Warranty

### Standard Warranty

*Basic*

Distance 36,000 miles Months 36 months

*Powertrain*

Distance 60,000 miles Months 60 months

*Corrosion Perforation*

Distance Unlimited miles Months 60 months

*Roadside Assistance*

Distance 60,000 miles Months 60 months

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TOWN OF PAONIA  
2022 F-250 CREWCAB PICKUP  
VEHICLE AS SPEC'D BELOW-----\$ 30,877.00  
NO OTHER UPFITS OR DELIVERY  
INCLUDED IN ABOVE PRICING

John Wieneke  
Commercial Account Manger  
Spradley Barr Greeley  
970-506-3621  
jwieneke@sbgford.com  
State Award 166122  
Arapahoe Award RFP-19-48

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2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

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**Client Proposal**

Prepared by:  
John Wieneke  
Office: 970-506-3621  
Email: jwieneke@sbgford.com  
Date: 06/23/2021





Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

**2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)**

Price Level: 230

**As Configured Vehicle**

Code	Description
<b>Base Vehicle</b>	
W2B	Base Vehicle Price (W2B)
<b>Packages</b>	
600A	<b>Order Code 600A</b> <i>Includes:</i> - Engine: 6.2L 2-Valve SOHC EFI NA V8 Flex-Fuel - Transmission: TorqShift-G 6-Spd Auto w/SelectShift - 3.73 Axle Ratio - GVWR: 10,000 lb Payload Package - Tires: LT245/75Rx17E BSW A/S (4) <i>Spare may not be the same as road tire.</i> - Wheels: 17" Argent Painted Steel <i>Includes painted hub covers/center ornaments.</i> - Radio: AM/FM Stereo w/MP3 Player <i>Includes 4 speakers.</i> - SYNC Communications & Entertainment System <i>Includes enhanced voice recognition with 911 Assist, 4.2" LCD center stack screen, AppLink and 1 smart-charging USB-C port.</i>
<b>Powertrain</b>	
996	Engine: 6.2L 2-Valve SOHC EFI NA V8 Flex-Fuel
44S	Transmission: TorqShift-G 6-Spd Auto w/SelectShift
X37	3.73 Axle Ratio
STDGV	GVWR: 10,000 lb Payload Package
<b>Wheels &amp; Tires</b>	
TD8	<b>Tires: LT245/75Rx17E BSW A/S (4)</b> <i>Spare may not be the same as road tire.</i>
64A	<b>Wheels: 17" Argent Painted Steel</b> <i>Includes painted hub covers/center ornaments.</i>
<b>Seats &amp; Seat Trim</b>	
1	<b>Cloth 40/20/40 Split Bench Seat</b> <i>Includes center armrest, cupholder, storage and driver's side manual lumbar.</i>
<b>Other Options</b>	
176WB	176" Wheelbase
90L	Power Equipment Group

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06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

## As Configured Vehicle (cont'd)

Code	Description
153	<p><i>Deletes passenger-side lock cylinder. Includes upgraded door trim panel.</i>  <i>Includes:</i>            - Accessory Delay            - Trailer Tow Mirrors w/Power Heated Glass  <i>Includes manual folding, manually telescoping, heated convex spotter mirror and integrated clearance lamps and turn signals.</i>            - Advanced Security Pack  <i>Includes SecuriLock Passive Anti-Theft System (PATS) and inclination/intrusion sensors.</i>            - Power Locks            - Power Tailgate Lock            - Power Front &amp; Rear Seat Windows  <i>Includes 1-touch up/down driver/passenger window.</i>            - Remote Keyless Entry</p>
PAINT	<p><b>Front License Plate Bracket</b>  <i>Standard in states requiring 2 license plates and optional to all others.</i></p>
587	<p><b>Monotone Paint Application</b></p> <p><b>Radio: AM/FM Stereo w/MP3 Player</b>  <i>Includes 4 speakers.</i>  <i>Includes:</i>            - SYNC Communications &amp; Entertainment System  <i>Includes enhanced voice recognition with 911 Assist, 4.2" LCD center stack screen, AppLink and 1 smart-charging USB-C port.</i></p>
<b>Fleet Options</b>	
525	<p><b>Steering Wheel-Mounted Cruise Control (LPO)</b>  <i>Requires valid FIN code.</i></p>
<b>Emissions</b>	
425	<p><b>50-State Emissions System</b></p>
<b>Interior Color</b>	
1S_02	<p><b>Medium Earth Gray</b></p>
<b>Exterior Color</b>	
Z1_01	<p><b>Oxford White</b></p>

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Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

## 2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

### Selected Equip & Specs

#### Dimensions

• Exterior length: 266.2" • Cab to axle: 56.1" • Exterior width: 80.0" • Exterior height: 81.3" • Wheelbase: 176.0" • Front track: 68.3" • Rear track: 67.2" • Turning radius: 28.9' • Min ground clearance: 8.2" • Front legroom: 43.9" • Rear legroom: 43.6" • Front headroom: 40.8" • Rear headroom: 40.4" • Front hiproom: 62.5" • Rear hiproom: 64.7" • Front shoulder room: 66.7" • Rear shoulder room: 65.9" • Passenger volume: 131.7cu.ft. • Approach angle: 18.4 deg • Departure angle: 21.8 deg • Cargo volume: 52.1cu.ft. • Maximum cargo volume: 52.1cu.ft. • Box length: 98.1"

#### Powertrain

• 385hp 6.2L SOHC 16 valve V-8 engine with variable valve control, SMPI • Recommended fuel : regular unleaded • federal • TorqShift-G 6 speed automatic transmission with overdrive • Part-time • Fuel Economy Cty: N/A • Fuel Economy Highway: N/A

#### Suspension/Handling

• Front Mono-beam non-independent suspension with anti-roll bar, HD shocks • Rear rigid axle leaf spring suspension with HD shocks • Firm ride Suspension • Hydraulic power-assist re-circulating ball Steering • Front and rear 17 x 7.5 argent steel wheels • LT245/75SR17 EBSW AS front and rear tires

#### Body Exterior

• 4 doors • Conventional left rear passenger • Conventional right rear passenger • **Driver and passenger power remote heated, manual folding door mirrors with turn signal indicator \* Turn signal indicator in mirrors** • Black door mirrors • Black bumpers • Class V trailer hitch with trailer sway control • Bed-rail protectors • Trailer harness • Box style: regular • Clearcoat paint • Front and rear 17 x 7.5 wheels • 2 front tow hook(s)

#### Convenience

• Manual air conditioning with air filter • **Cruise control with steering wheel controls \* Power windows \* Driver and passenger 1-touch up \* Driver and passenger 1-touch down \* Remote power door locks with 2 stage unlock and illuminated entry** • Manual tilt steering wheel • Manual telescopic steering wheel • Day-night rearview mirror • FordPass Connect 4G internet access • 911 Assist emergency SOS • Wireless phone connectivity • AppLink smart device integration • 2 1st row LCD monitors • Front and rear cupholders • Passenger visor mirror • Full overhead console • **Driver and passenger door bins \* Rear door bins**

#### Seats and Trim

• Seating capacity of 6 • Front 40-20-40 split-bench seat • 4-way driver seat adjustment • Manual driver lumbar support • 4-way passenger seat adjustment • Centre front armrest with storage • 60-40 folding rear split-bench seat • **Cloth seat upholstery**

#### Entertainment Features

• AM/FM stereo radio • SYNC external memory control • Steering wheel mounted radio controls • 4 speakers • Streaming audio • Fixed antenna

#### Lighting, Visibility and Instrumentation

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06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

## Selected Equip & Specs (cont'd)

• Halogen aero-composite headlights • Delay-off headlights • Auto on/off headlights • Variable intermittent front windshield wipers • Light tinted windows • Front and rear reading lights • Tachometer • Oil pressure gauge • Compass • Outside temperature display • Camera(s) - rear • Low tire pressure warning • Trip computer • Trip odometer

### Safety and Security

• 4-wheel ABS brakes • Brake assist with hill hold control • 4-wheel disc brakes • AdvanceTrac w/Roll Stability Control Electronic stability control • ABS and driveline traction control • Dual front impact airbag supplemental restraint system • Dual seat mounted side impact airbag supplemental restraint system • Safety Canopy System curtain 1st and 2nd row overhead airbag supplemental restraint system \* **Remote activated perimeter/approach lighting** \* **Power remote door locks with 2 stage unlock and panic alarm** \* **Security system with SecuriLock immobilizer** • MyKey restricted driving mode • Manually adjustable front head restraints • 3 manually adjustable rear head restraints

### Dimensions

#### General Weights

* <b>Curb</b> .....	<b>6,757 lbs.</b>	GVWR .....	10,000 lbs.
Payload .....	3,210 lbs.		

#### Front Weights

Front GAWR .....	5,200 lbs.	* <b>Front curb weight</b> .....	<b>4,020 lbs.</b>
Front axle capacity .....	6,000 lbs.	Front spring rating .....	5,200 lbs.
Front tire/wheel capacity .....	6,390 lbs.		

#### Rear Weights

Rear GAWR .....	6,340 lbs.	* <b>Rear curb weight</b> .....	<b>2,737 lbs.</b>
Rear axle capacity .....	6,200 lbs.	Rear spring rating .....	6,340 lbs.
Rear tire/wheel capacity .....	6,390 lbs.		

#### Trailer Type

Type .....	Regular	Harness .....	Yes
Class .....	V	Hitch .....	Yes
Trailer sway control .....	Yes		

#### General Trailering

5th-wheel towing capacity .....	12200 lbs.	Gooseneck towing capacity .....	12200 lbs.
Towing capacity .....	12300 lbs.	GCWR .....	19500 lbs.

#### Fuel Tank type

Capacity .....	48 gal.
----------------	---------

#### Off Road

Approach angle .....	18 deg	Departure angle .....	22 deg
Ramp breakover angle .....	21 deg	Min ground clearance .....	8 "
Load floor height .....	38 "		

#### Exterior cargo

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06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

**2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)**

Price Level: 230

**Selected Equip & Specs (cont'd)**

Length .....	98.1 "	Minimum width .....	50.5 "
Volume .....	78.5 cu.ft.	Pickup box depth .....	21.1 "
Maximum width .....	66.9 "	Tailgate width .....	60.5 "

*Interior cargo*

Cargo volume .....	52.1 cu.ft.	Maximum cargo volume .....	52.1 cu.ft.
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**Powertrain**

*Engine Type*

Block material .....	Iron	Cylinders .....	V-8
Head material .....	Aluminum	Ignition .....	Spark
Injection .....	Sequential MPI	Liters .....	6.2L
Orientation .....	Longitudinal	Recommended fuel .....	Regular unleaded
Valves per cylinder .....	2	Valvetrain .....	SOHC
Variable valve control .....	Yes		

*Engine Spec*

Bore .....	4.02"	Compression ratio .....	9.8:1
Displacement .....	379 cu.in.	Stroke .....	3.74"

*Engine Power*

SAEJ1349 AUG2004 compliant .....	Yes	Output .....	385 HP @ 5,750 RPM
Torque .....	430 ft.-lb @ 3,800 RPM		

*Alternator*

Amps .....	157
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*Battery*

Amp hours .....	72	Cold cranking amps .....	650
Run down protection .....	Yes		

*Transmission*

Electronic control .....	Yes	Lock-up .....	Yes
Overdrive .....	Yes	Speed .....	6
Type .....	Automatic		

*Transmission Gear Ratios*

1st .....	4.17	2nd .....	2.34
3rd .....	1.52	4th .....	1.14
5th .....	0.87	6th .....	0.69
Reverse Gear ratios .....	3.4		

*Transmission Torque Converter*

Stall ratio .....	2.01
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*Transmission Extras*

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Prepared by: John Wieneke  
06/23/2021

SPRADLEY BARR GREELEY | 4901 29th Street Greeley Colorado | 80634

2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

**Selected Equip & Specs (cont'd)**

Driver selectable mode	Yes	Sequential shift control	SelectShift
Oil cooler	Regular duty		
<i>Drive Type</i>			
4wd type	Part-time	Type	Four-wheel
<i>Drive Feature</i>			
Traction control	ABS and driveline	Locking hub control	Auto
Transfer case shift	Electronic		
<i>Drive Axle</i>			
Ratio	3.73		
<i>Exhaust</i>			
Material	Stainless steel	System type	Single
<i>Emissions</i>			
CARB	Federal		
<i>Fuel Economy</i>			
Fuel type	Gasoline		
<i>Fuel Economy (Alternate 1)</i>			
Fuel type	E85		
<i>Acceleration</i>			
0-60 mph (s)	6.96		
<i>1/4 Mile</i>			
Seconds	15.3	Speed	90 mph
<i>Skid Pad</i>			
Lateral acceleration (g)	0.6		
<i>Slalom</i>			
Speed	50 mph		

**Driveability**

<i>Brakes</i>			
ABS	4-wheel	ABS channels	4
Type	4-wheel disc	Vented discs	Front and rear
<i>Brake Assistance</i>			
Brake assist	Yes	Hill hold control	Yes
<i>Suspension Control</i>			
Ride	Firm	Electronic stability control	Stability control with anti-roll

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**2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)**

Price Level: 230

## Selected Equip & Specs (cont'd)

### Front Suspension

Independence ..... Mono-beam non-independent      Anti-roll bar ..... Regular

### Front Spring

Type ..... Coil      Grade ..... Regular

### Front Shocks

Type ..... HD

### Rear Suspension

Independence ..... Rigid axle      Type ..... Leaf

### Rear Spring

Type ..... Leaf      Grade ..... HD

### Rear Shocks

Type ..... HD

### Steering

Activation ..... Hydraulic power-assist      Type ..... Re-circulating ball

### Steering Specs

# of wheels ..... 2

## Exterior

### Front Wheels

Diameter ..... 17"      Width ..... 7.50"

### Rear Wheels

Diameter ..... 17"      Width ..... 7.50"

### Spare Wheels

Wheel material ..... Steel

### Front and Rear Wheels

Appearance ..... Argent      Material ..... Steel  
Covers ..... Hub

### Front Tires

Aspect ..... 75      Diameter ..... 17"  
Sidewalls ..... BSW      Speed ..... S  
Tread ..... AS      Type ..... LT  
Width ..... 245mm      LT load rating ..... E  
RPM ..... 645

### Rear Tires

Aspect ..... 75      Diameter ..... 17"

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Price Level: 230

**Selected Equip & Specs (cont'd)**

Sidewalls .....	BSW	Speed .....	S
Tread .....	AS	Type .....	LT
Width .....	245mm	LT load rating .....	E
RPM .....	645		

*Spare Tire*

Mount .....	Underbody w/crankdown	Type .....	Full-size
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*Wheels*

Front track .....	68.3"	Rear track .....	67.2"
Turning radius .....	28.9'	Wheelbase .....	176.0"

*Body Features*

* Front license plate bracket .....	Yes	Body material .....	Aluminum
Side impact beams .....	Yes	Front tow hook(s) .....	2

*Body Doors*

Door count .....	4	Left rear passenger .....	Conventional
Right rear passenger .....	Conventional	Cargo .....	Tailgate

*Pickup*

Box style .....	Regular	Bed-rail protectors .....	Yes
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*Exterior Dimensions*

Length .....	266.2"	Body width .....	80.0"
Body height .....	81.3"	Cab to axle .....	56.1"
Frame section modulus .....	10.7cu.in.	Frame yield strength (psi) .....	50000.0
Front bumper to Front axle .....	38.2"	Front bumper to back of cab .....	151.8"

**Safety**

*Airbags*

Driver front-impact .....	Yes	Driver side-impact .....	Seat mounted
Overhead Safety Canopy System curtain 1st and 2nd row .....		Passenger front-impact .....	Yes
Passenger side-impact .....	Seat mounted		

*Seatbelt*

Rear centre 3 point .....	Yes	Height adjustable .....	Front
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*Security*

Immobilizer .....	SecuriLock	* Panic alarm .....	Yes
Restricted driving mode .....	MyKey		

**Seating**

*Passenger Capacity*

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**2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)**

Price Level: 230

**Selected Equip & Specs (cont'd)**

Capacity .....	6		
<i>Front Seats</i>			
Split .....	40-20-40	Type .....	Split-bench
<i>Driver Seat</i>			
Fore/aft .....	Manual	Reclining .....	Manual
Way direction control .....	4	Lumbar support .....	Manual
<i>Passenger seat</i>			
Fore/aft .....	Manual	Reclining .....	Manual
Way direction control .....	4		
<i>Front Head Restraint</i>			
Control .....	Manual	Type .....	Adjustable
<i>Front Armrest</i>			
Centre .....	Yes	Storage .....	Yes
<i>Rear Seats</i>			
Descriptor .....	Split-bench	Facing .....	Front
Folding .....	60-40	Folding position .....	Fold-up cushion
Type .....	Fixed		
<i>Rear Head Restraints</i>			
Control .....	Manual	Type .....	Adjustable
Number .....	3		
<i>Front Seat Trim</i>			
* Material .....	Cloth	* Back material .....	Cloth
<i>Rear Seat Trim Group</i>			
* Material .....	Cloth	Back material .....	Carpet

**Convenience**

<i>AC And Heat Type</i>			
Air conditioning .....	Manual	Air filter .....	Yes
Underseat ducts .....	Yes		
<i>Audio System</i>			
Radio .....	AM/FM stereo	Radio grade .....	Regular
Seek-scan .....	Yes	External memory control .....	SYNC
<i>Audio Speakers</i>			
Speaker type .....	Regular	Speakers .....	4
<i>Audio Controls</i>			

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Price Level: 230

**Selected Equip & Specs (cont'd)**

Steering wheel controls	Yes	Voice activation	Yes
Streaming audio	Bluetooth yes		

*Audio Antenna*

Type	Fixed
------	-------

*LCD Monitors*

1st row	2	Primary monitor size (inches)	4.2
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*Cruise Control*

\* **Cruise control With steering wheel controls**

*Convenience Features*

* <b>Retained accessory power</b>	<b>Yes</b>	12V DC power outlet	2
Emergency SOS	911 Assist	Wireless phone connectivity	Bluetooth
Smart device integration	App link		

*Door Lock Activation*

* <b>Type</b>	<b>Power with 2 stage unlock</b>	* <b>Remote</b>	<b>Keyfob (all doors)</b>
* <b>Integrated key/remote</b>	<b>Yes</b>		

*Door Lock Type*

\* **Tailgate/rear door lock** ... **Included with power door locks**

*Door Locks Extra FOB Controls*

Remote engine start	Smart device only
---------------------	-------------------

*Instrumentation Type*

Appearance	Analog
------------	--------

*Instrumentation Gauges*

Tachometer	Yes	Oil pressure	Yes
Engine temperature	Yes	Transmission fluid temp	Yes
Engine hour meter	Yes		

*Instrumentation Warnings*

Oil pressure	Yes	Engine temperature	Yes
Battery	Yes	Lights on	Yes
Key	Yes	Low fuel	Yes
Door ajar	Yes	Service interval	Yes
Brake fluid	Yes	Low tire pressure	Tire specific

*Instrumentation Displays*

Clock	In-radio display	Compass	Yes
Exterior temp	Yes	Systems monitor	Yes
Camera(s) - rear	Yes		

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2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

## Selected Equip & Specs (cont'd)

### Instrumentation Feature

Trip computer ..... Yes      Trip odometer ..... Yes

### Steering Wheel Type

Material ..... Urethane      Tilting ..... Manual  
Telescoping ..... Manual

### Front Side Windows

\*Window 1st row activation ..... Power

### Windows Rear Side

\*2nd row activation ..... Power

### Window Features

\*1-touch down      Driver and passenger      \*1-touch up      Driver and passenger  
Tinted ..... Light

### Front Windshield

Wiper ..... Variable intermittent

### Rear Windshield

Window ..... Fixed

## Interior

### Passenger Visor

Mirror ..... Yes

### Rear View Mirror

Day-night ..... Yes

### Headliner

Coverage ..... Full      Material ..... Cloth

### Floor Trim

Coverage ..... Full      Covering ..... Vinyl/rubber

### Trim Feature

Gear shifter material ..... Urethane      Interior accents ..... Chrome

### Lighting

Dome light type ..... Fade      Front reading ..... Yes  
\*Illuminated entry ..... Yes      Rear reading ..... Yes  
Variable IP lighting ..... Yes

### Overhead Console Storage

Storage ..... Yes      Type ..... Full

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2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)

Price Level: 230

## Selected Equip & Specs (cont'd)

### Storage

* <b>Driver door bin</b> .....	<b>Yes</b>	Front Beverage holder(s) .....	<b>Yes</b>
Glove box .....	Locking	* <b>Passenger door bin</b> .....	<b>Yes</b>
Illuminated .....	Yes	Rear yes .....	Yes
Instrument panel .....	Covered bin	Dashboard .....	Yes
* <b>Rear door bins</b> .....	<b>Yes</b>		

### Legroom

Front .....	43.9"	Rear .....	43.6"
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### Headroom

Front .....	40.8"	Rear .....	40.4"
-------------	-------	------------	-------

### Hip Room

Front .....	62.5"	Rear .....	64.7"
-------------	-------	------------	-------

### Shoulder Room

Front .....	66.7"	Rear .....	65.9"
-------------	-------	------------	-------

### Interior Volume

Passenger volume .....	131.7 cu.ft.
------------------------	--------------

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**2022 F-250 4x4 SD Crew Cab 8' box 176" WB SRW XL (W2B)**

Price Level: 230

## Warranty

### Standard Warranty

*Basic*

Distance 36,000 miles Months 36 months

*Powertrain*

Distance 60,000 miles Months 60 months

*Corrosion Perforation*

Distance Unlimited miles Months 60 months

*Roadside Assistance*

Distance 60,000 miles Months 60 months

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AGENDA SUMMARY FORM

	Mayor's Report		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 13, 2021

## Mayor's Report

### Local Government Coordination Call 8-18-21

- DOLA
  - Task force meetings schedule <https://leg.colorado.gov/interim-schedule>
  - DOH paid out over \$86 million
    - Processing landlord payments through 3<sup>rd</sup> party vendor
    - CDC halted evictions in high COVID number <https://covid.cdc.gov/covid-data-tracker/#county-view>
      - Delta is included in this ban
      - Vaccination rate in Delta county is Less than 50%
        - Fully vaccinated people are less than 40%
      - Level of Community Transmission is substantial
  - Local government survey – how are we spending ARPA funds
  - COVID recovery guide for funds  
[https://docs.google.com/spreadsheets/d/1tSoNSmKpdjWV-57LoraFtd5kelomghZ/edit - gid=663188868](https://docs.google.com/spreadsheets/d/1tSoNSmKpdjWV-57LoraFtd5kelomghZ/edit-gid=663188868)
- Work Force Development Office
  - Goal to reduce unemployment rate to 4.5% (rate prior to COVID)
  - Most impacted least formal ed or training after HS
  - Have had skilled worker shortage
  - Low quality jobs
  - Prepare workers for skilled jobs
  - Upskilling, Reskilling and Next-skilling programs supported by stimulus funds
  - Collaborative outreach campaign to begin in late August
  - SB21-1264
    - Local workforce centers to link to support training costs/short-term credentials/on-the-job training
    - Grants for ESL and for non-HS grads
  - HB21-1270 – SNAP employment and Training programs
  - SB21-232 – Displaced Workers grants
    - Funds focused on degree completion
    - Funds available through institutions
  - HB21-133- Higher Education Success
    - Targets students who were admitted but did not enroll in 20-21
    - Grants to COSI Grantee Institutions
  - Tutoring Corps
    - Americorps positions focused on reading and math
  - A lot of options for individuals for training

AGENDA SUMMARY FORM



Finance & Personnel  
 Governmental Affairs & Public Safety  
 Public Works-Utilities-Facilities  
 Tree Board  
 Advisory Water

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear:	Trustee Budinger:	Trustee Johnson:
Trustee Knutson:	Trustee Meck:	Trustee Pattison:	Mayor Bachran:

August 13, 2021

## GAPS MEETING NOTES 8/4/21

- **Next Meeting**
  - Scheduled for Wednesday, September 1, 10am at Town Hall
- **Request for Board Direction**
  - Nothing at this time
- **Updates**
  - Park use fees
    - Staff provided data on event costs and will do additional research on event impact on sales tax. GAPS committee will use this data to prepare recommendations for the board.
    - GAPS committee reached a preliminary conclusion that park fees should be charged for all events, with the possibility of a security deposit for some of the associated costs and/or shifting cost burden from the town to the event organizer (ex: dumpster rental)
    - More specific recommendations will be provided before the end of 2021 to assist the board in planning for events in 2022
  - Animal Control
    - Per board direction, GAPS committee will draft an updated ordinance for annual animal registration, which is tentatively scheduled for a meeting in September including a draft ordinance and staff recommendations
    - Dog bag issue at Apple Valley park is being addressed with additional signage and weekly checks
  - Out-of-town residents on town committees
    - Tabled until after the committee review scheduled for Aug 10
  - Food trucks
    - Draft Food Truck ordinance will come before the board at a later date; pushed back because of already heavy agendas
  - Public Safety
    - At this time there is no plan for a School Resource Officer (SRO) for the upcoming school year
    - Our new officer will start academy training on August 10
    - There are several large court cases in progress, which are taking a lot of officer time
    - The police department was notified of several specific traffic and graffiti incidents and will follow up/increase patrol as needed
    - Town staff will work with the Poulos Park mural artists to seal the artwork for easier cleaning
    - Work continues on a draft resource list for people in distress in the community, but due to other priorities it is not expected until later this year

AGENDA SUMMARY FORM

	Community Comment Period for: Process and/or Decisions Made		
Summary:			
Notes:			
Possible Motions:			
Motion by: _____ 2 <sup>nd</sup> : _____ vote: _____			
Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran:

August 18, 2021

AGENDA SUMMARY FORM



Adjournment

Summary:

Notes:

Possible Motions:

Motion by: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_ vote: \_\_\_\_\_

Vote:	Trustee Bear	Trustee Budinger	Trustee Johnson
Trustee Knutson	Trustee Meck	Trustee Pattison	Mayor Bachran

August 13, 2021