

SUBJECT: ACCEPTING AND APPROPRIATING \$10,519,653.50 IN AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS FROM THE UNITED STATES TREASURY DEPARTMENT TO FUND 475 PROJECT 47534 AND A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.

AGENDA OF: July 20, 2021

ASSEMBLY ACTION: 8/3/21 IM amended
Adopted w/out objection.
8/3/21
jam

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: WBS

Route To:	Department/Individual	Initials	Remarks
	Originator P. Graham	<u>PG</u>	
	Finance Director	<u>CY</u>	
	Borough Attorney	<u>NS</u>	Review pending on water systems
	Borough Clerk	<u>jam 7/12/21</u>	<u>WBS</u>

ATTACHMENT (S) : Fiscal Note: YES X NO _____
Initial Spending Plan and Budget (3 Pages)
Ordinance Serial No. 21-073 (2 pages)
Resolution Serial No. 21-075 (2 pages)

SUMMARY STATEMENT:

In May 2021 the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery the American Rescue Plan Act of 2021 was designed to deliver \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments.

The Matanuska-Susitna Borough will be receiving a total allocation of \$21,039,307 in two parts, 50% in May 2021 and the remaining 50%

in May 2022. Since the funding will be received in two parts, each part will be accepted and appropriated separately to ensure proper tracking on expenditures for reporting and audit purposes.

The Borough Attorney and Finance Director reviewed all the allowable and unallowable uses for the funding and worked with staff to develop a spending plan for the initial installment. A copy of the initial spending plan and associated budget is attached to this Informational Memorandum.

RECOMMENDATION OF ADMINISTRATION: Staff respectfully recommends Assembly adoption of the legislation accepting and appropriating \$10,519,653.50 in American Rescue Plan Coronavirus State and Local Fiscal Recovery funds from the United States Treasury Department to fund 475 project 47534 and a resolution approving the scope of work and budget for the American Rescue Plan Coronavirus State and Local Fiscal Recovery funds.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: July 20, 2021

SUBJECT: ACCEPTING AND APPROPRIATING \$10,519,653.50 IN AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS FROM THE UNITED STATES TREASURY DEPARTMENT TO FUND 475 PROJECT 47534 AND A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS.

ORIGINATOR: Pamela Graham

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>\$10,519,653.50</u>	FUNDING SOURCE <u>U.S. Dept. of Treasury</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>475.000.000 3XX.XXX</u>	PROJECT # <u>47534</u>
VERIFIED BY: <u>humb Winkler</u>	CERTIFIED BY:
DATE: <u>7/6/21</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds		<u>10,519.7</u>				
Other						
TOTAL		<u>10,519.7</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: Chesonne Newell DATE: _____
 APPROVED BY: _____ DATE: 7/6/2021

1. Revenue Recovery Bed Tax Losses \$1,032,350

The COVID-19 pandemic caused a significant loss in Bed Tax Revenues. In Fiscal Year 2019 the revenues collected were \$1,428,373 and from fiscal year 2017 through 2019 the Borough saw an average increase in revenues of 8.9%. The actual amount collected from January 1 – December 31, 2020 was \$590,006. The Borough utilized its average growth of 8.9% to calculate lost revenues as it exceeded the assumed growth of 4.1%. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

2. Revenue Recovery Talkeetna Sewer and Water Sales Tax \$756,926

The COVID-19 pandemic caused a significant loss in Talkeetna Sewer and Water Sales Tax Revenues. In Fiscal Year 2019 the revenues collected were \$1,083,732. Since this was a new tax in fiscal year 2018 the average growth was 562.5%. Because of the lack of historical data, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$394,134. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

3. Revenue Recovery Pool Fee Losses \$531,129

The COVID-19 pandemic caused a significant loss in Pool Fee Revenues due to facility closures. In Fiscal Year 2019 the revenues collected were \$376,677. Since both pools had seen closures due to major renovations during fiscal years 2018 and 2019 historical revenues were skewed, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$204,873. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

4. Revenue Recovery Ice Arena Fee Losses \$90,677

The COVID-19 pandemic caused a significant loss in Ice Arena Fee Revenues due to facility closures. In Fiscal Year 2019 the revenues collected were \$426,430. Since the Ice Arena had seen a closure due to major renovations during fiscal years 2018 historical revenues were skewed, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$362,245. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

5. Revenue Recovery Borough Gym Rental Revenue Losses \$36,661

The COVID-19 pandemic caused a significant loss in Borough Gym Rental Revenues due to facility closure. In Fiscal Year 2019 the revenues collected were \$32,100 and from fiscal year 2017 through 2019 the Borough saw an average increase in revenues of 9.3%. The actual amount collected from January 1 – December 31, 2020 was \$0. The Borough utilized its average growth of 9.3% to calculate lost revenues as it exceeded the assumed growth of 4.1%. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

6. Big Lake, Butte and Snowshoe Elementary Water System Replacements \$2,592,608

The COVID-19 pandemic emphasized the importance of water and sewer systems. The Big Lake Elementary Water System has failed and been repaired multiple times. It needs funding to complete repairs to bring the system into safe full operations. Butte and Snowshoe Elementary water systems are experiencing similar issues. The amount above reflects to cost to improve the systems.

7. Willow Log Cabin Well and Septic \$100,000

The Willow Log Cabin restoration is an ongoing project to refurbish the Cabin for use as a cultural preservation center, museum, and make it usable and open to the public, In addition to preserving local history and being available for meeting space, the refurbished building is intended to be a point for tourists. A well and septic system is needed for visitors, patrons, and tourists.

American Rescue Plan Act
Spending Plan July 1, 2021 through December 31,2024

Revenue Recovery:

Bed Tax	\$	1,032,350.00	
Talkeetna Sewer & Water Sales Tax	\$	756,926.00	
Pool Fees	\$	531,129.00	
Ice Arena Fees	\$	90,677.00	
Borough Gym Rental Fees	\$	36,661.00	
Total Lost Revenue Replacement	\$		2,447,743.00

Capital Projects:

Big Lake Elementary School Water System Replacment	\$	875,000.00	
Butte & Snowshoe Elementary Schools Water System Replacement	\$	1,717,608.00	
Talkeetna Sewer & Water System Upgrades			
Total Capital	\$		2,592,608.00
Total	\$		5,040,351.00

Initial allocation	\$	5,040,351.00
Balance remaing to be Allocated	\$	5,479,302.50
Total Grant Funding	\$	10,519,653.50