Town of Hartford

Selectmen’s Workshop

American Rescue Plan Act Funds

Approved Minutes

March 9, 2022

7pm @ Hartford Town Hall and via Zoom

Present in person: Selectman Cathy Lowe and Town Clerk Lianne Bedard

Present via Zoom: Selectmen Lori Swan, Lee Holman, Budget Committee members Robert L’Heureux, Christine Mumau, Lennie Eichman, and resident Richard Dyer.

Lee called the workshop to order at 7:05pm

Those present continued discussion on how to plan to use the funds including a paved RR bed from the parking area to the bridge (approx.. 1 mile) for stroller and wheelchair access, replacing culverts on Darrington Road and Goding Road, and repairing or replacing the boardwalk to the town beach.

Lianne shared the response from MMA Legal to questions submitted after the last workshop.

1. Can we expense funds from ARPA before town meeting and then pay them back? It is not permissible to make expenditures that have not been authorized through the approval of a warrant article at town meeting. Depending on the circumstances, municipal officials who make unauthorized payments can be personally liable for repayment and other penalties.

2. Can we replace the town hall furnace with ARPA funds? I think you will find the answer to Question Number 12 in the attached MMA Legal Services ARPA Guidance informative. That answer is pasted below for your reference and, in a nutshell, explains that if Hartford opts to consider its expenditures in the “lost revenue” category (which now includes a standard allowance of up to $10 million in loss), the funds may be spent on “government services.” Generally, an improvement to the building you are providing government services from would seem in my view to qualify as an allowed government services expenditure.

12. May we use the funds for general governmental services, such as road maintenance, general infrastructure, improvements, equipment, staffing, etc.? Yes. Under the eligible use category of “Replacing Lost Public Sector Revenue,” a municipality that has experienced a reduction in revenue may use ARPA Funds, up to the amount of lost revenue or ARPA grant (whichever is less), to pay for government services.

3. Can we fund projects with ARPA funds if we are receiving additional funding such as grants?

If the grant is from a state or local source, and the project is not a prohibited ARPA expense, there is a good chance based on my understanding of the ARPA final rule that the answer to this question is yes. However, it will really depend on the terms of the additional funding and its source. For instance, ARPA funds are not always able to cover a local match required under the terms of a federal grant, and there may be other considerations depending on the specifics of the grant.

4. Can we fund improvements to the Hartford Town Beach recreation area. Specifically, the Boardwalk. We are decades behind of the promise to build a parking area at the beach. Can we imagine getting these things done with the help of ARPA funds?

A discussion regarding the restrictions on the use of ARPA funds begins on page 314 of the final rule linked above. I think the answer to question 12 from MMA’s ARPA guidance will be useful to you in answering this question as well. As I noted above, under the lost revenue category, funds may be spent on a wide variety of government services, with the basic standard that the service is one traditionally provided by the government. If the recreation area belongs to the town and the town planned on making the improvements, then in my view it would likely be considered the type of traditional government service that would qualify as an expenditure under the revenue loss category. I am not aware of any prohibitions on that type of use and, in fact, note that “road building and maintenance, and other infrastructure” are recognized in the Treasury Department’s final rule overview (see page 11) as an allowable type of government service expense.

5. Do we have to calculate our loss of revenue? Or can we just assume we had loss of revenue and take the standard deduction? Do we have to actually have a loss of revenue? The final rule added the concept of having a standard amount of revenue loss, and it established the amount of loss at $10 million. I like that you called it a “standard deduction” as my understanding is it is sort of akin to how that deduction works on income taxes. It seems that the US Dept. of Treasury in its final rule is attempting to streamline the reporting requirements by allowing all municipalities to essentially automatically consider they have lost up to $10 million, with no requirement to complete a full revenue loss calculation unless the loss is over that amount.

In other words, no, you do not have to calculate or otherwise detail a revenue loss, unless you believe and want to show that Hartford has suffered over $10 million in lost revenue as a result of the pandemic (which I am guessing, or at least hope, is not the case).

Also discussed was the town hall furnace which the Board of Selectmen has found existing funds to cover the cost. Jeff Sterns will attend the Selectmen’s meeting on March 17th to discuss the Goding Road, Darrington Road, and Pratt Hill projects.

The Budget Committee will attend the meeting also to finalize the discussion of the use of funds.

Meeting was adjourned at 8:05pm.

Minutes approved by:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Lee Holman Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cathy Lowe Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Lori Swan Date