AMERICAN RESCUE PLAN ACT

REVENUE LOSS CALCULATIONS AND USES

FINANCE COMMITTEE

MONDAY MARCH 21, 2022

REVENUE LOSS – CALCULATION AND USES

- U.S. Treasury allowance for revenue loss

    - $10 million

        or

    - Amount calculated based on formula

- FY 2020 and FY 2021 revenue loss calculations yield $31.3 million

- Revenue loss funding may be used for "any governmental service" with limited restrictions

PROCESS FOR REVENUE LOSS REPORTING

Perform revenue loss calculations

Identify governmental services to cover (public safety salaries)

Transfers funds to cover those services

Report services covered to U.S. Treasury

COMPLIANCE AND RESULTING FUND BALANCE

Compliance Implications

- Significantly lower burden for federal reporting requirements
- Streamlined procurement and audit requirements

Use of Funding

- General fund balance shown as dedicated to specific purposes
- Appropriate general fund balance to cover certain expenses related to framework
- Additional flexibility not tied to ARPA restrictions

FRAMEWORK AND FUTURE USES

Staff Will Recommend ARPA Funding _or_ General Funding

- $21.4 million of ARPA not used via revenue loss process
- This funding still requires full federal compliance and reporting

General Fund Balance

- Staff will track all expenditure of funds from assigned fund balance
- Public reporting of all programs will take place

REVENUE LOSS AND CITY FUND RESTORATION

- "Revenue Loss" is the term used to describe the calculation and reporting to U.S. Treasury.

- "City Fund Restoration" is the term used to describe transfers of funding to support City funds that experienced significant shortfalls.

CITY FUND RESTORATION

- Staff recommends the following amounts be returned to City funds.

- Calculations are based on net losses adjusted for debt service schedules.

Fund	Amount
Fairgrounds Fund	$2,570,110
Downtown Ballpark Fund	1,835,600
Occupancy Tax Fund	516,870
Parking Fund	685,950
Total	$5,608,530