



AGENDA ITEM #: 21-39  
COUNCIL MTG OF: April 6, 2021  
FROM: David Caron, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Administration  
SUBJECT: To Authorize the Acceptance of ARPA Funding.

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STAFF REPORT  
*Public Hearing 4-20-21*

#### PURPOSE

The purpose of this report is to request that the Town Council authorize the acceptance of American Rescue Plan Act (ARPA) funds as authorized by Congress to assist the Town and the community to recover from the impacts of the Pandemic.

#### TOWN ADMINISTRATOR COMMENTS

The Council is encouraged to authorize acceptance of these funds after the April 20, 2021 public hearing.

#### BACKGROUND

The anticipated severe economic impact resulting from the COVID-19 Pandemic has been well documented throughout society. The Town has experienced revenue shortfalls and adverse economic impacts to the general community. The United States Congress enacted the American Rescue Plan Act to provide direct funding to municipalities to aid in the recovery from the Pandemic.

#### DISCUSSION

RSA 31:95-b allows municipalities to accept unanticipated funds which may become available to the Town during the year from a variety of sources, including the federal government. This action does require a public hearing which can be scheduled for April 20.

Should the Council adopt Resolution #2021-026, funds would be placed in the Expendable Trust for the Derry Recovery Plan as established under Resolution #2021-025. The Council has been named as Agents to Expend; therefore any expenditures would require a future affirmative Resolution from the Council.

The United States Treasury is responsible for issuing rules on the expenditure of these funds, which will be released by mid-May. We anticipate the rules will provide further guidance on the legislative intent associated with this funding, which includes:

1. Respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality.
2. For the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year.
3. Make necessary investments in water, sewer or broadband infrastructure, or
4. Include premium pay for eligible workers performing essential work during the pandemic.

Staff is in the process of identifying opportunities and impacts in the community which align with each of the guidelines as stipulated above. Staff will return to the Council later with proposed investments from the Derry Recovery Plan.

#### FISCAL IMPACT

The preliminary estimate from Treasury would send \$3,315,043.21 to Derry, with 50% issued in May 2021 and the balance in May 2022. The funds would be deposited into the Expendable Trust Fund for the Derry Recovery Plan until withdrawn by future Council Resolution.

#### RECOMMENDED ACTION BY COUNCIL

See Resolution #2021-026.