



STAFF REPORT
Public Hearing 9-6-22

AGENDA ITEM #: 22-91
COUNCIL MTG OF: August 2, 2022
FROM: David Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: To Authorize the Acceptance of ARPA Funding.

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 September 6, 2022 public hearing.

BACKGROUND

The 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 September 6.

Funds previously adopted by the Council under Resolution #2021-026 (\$3,315,043.21), were 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 Resolution from the Council.

The United States Treasury has ruled that the first \$10M in ARPA funds can be classified as revenue replenishment, which is more than the Town is slated to receive. Thus, use of the funds is very broad, however, they cannot be used for additional pension infusion or payment of debt service. Funds must be obligated by December 31, 2024.

The Town has learned that the final aid total to Derry will be \$3,505,532.88; the Council is encouraged to adopt Resolution #2022-065 which will authorize acceptance of funds not included in Resolution #2022-026, which total \$190,489.67.

FISCAL IMPACT

No fiscal impact; although the Council previously accepted approximately \$3.3M, financial forecasts developed by the Town were based upon the \$3.6M amount.

RECOMMENDED ACTION BY COUNCIL

See Resolution #2022-065.