

For the August 9, 2022 Livingston City Commission Meeting

Madam Chair and members of the Commission-

On behalf of the ARPA Ad Hoc Committee, I'm pleased to provide you the following report and recommendations related to the disbursement of city-held ARPA funds.

Background

City Resolution 5027 established the ad hoc committee which requested a report within 90 days that made recommendations to the Commission on the following topics as it relates to the use of ARPA Funds:

- A list of recommended areas or "buckets" for funds disbursement;
- A ranked priority for the recommended "buckets"
- A recommended approximate percentage of ARPA funds that should be reserved for each "bucket"; and,
- Any additional recommendations to the City Commission.

The city appointed the following members to the committee:

Tim Stevens

Caron Cooper

Warren Maybe

Commissioner Quentin Schwartz

At our first meeting on July 6, Tim Stevens was subsequently appointed Chair of the committee. We have been fortunate to have Lisa Lowy and Faith Kinnick participating in and advising the committee as well. The committee has met a grand total of two times and we are pleased to have been an efficient group so we therefore are providing the commission with our recommendations well short of the 90 day window. For your consideration, following are our responses to the queries you laid out for this committee to answer:

A) A list of recommended areas or "buckets" for funds disbursement.

According to guidance from the US Department of Treasury, ARPA funds may be used in the following areas:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue lost due to the pandemic
- **Respond to the far-reaching public health and negative economic impacts of the pandemic**, by supporting the health of communities, and helping households, small businesses, impacted industries, nonprofits, and the public sector recover from economic impacts
- **Provide premium pay for essential workers**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet

Committee Recommendations:

As to the ‘replace lost public sector revenue’, Ms. Lowy explained that the city has already used ARPA funding to recover this lost revenue so we therefore recommend removing this area from further disbursement recommendations.

As to the ‘premium pay for essential workers’, we also understand that the city has used a portion of funds to provide premium pay for a segment of essential city workers. In addition, we believe that the optimal timing and impact for which an expanded use of the premium pay opportunity has now passed and we therefore do not have any further recommendations for this funding opportunity.

Regarding the water and sewer investment opportunity, we understand that the city has identified the possible use of ‘around’ \$400,000 that would be a fit in this category and the committee recommends the city pursue use of up to that amount for this purpose.

Lastly, regarding the response ‘...to the far-reaching public health and negative economic impacts of the pandemic...’, this is indeed a broad category of potential uses of ARPA funding—too broad and unwieldy to manage and too broad to be able to judge fairly between deserving small businesses and impacted industries. Also, with that wide of an aperture, would result in too large a pool of requests for the remaining resources the city has to make much of a difference thru any one request. We recommend the city strategically narrow the focus of this funding area to supporting the nonprofit community. The nonprofits have been—and will continue to be—on the front lines of helping those impacted by covid and one check to a nonprofit helps many people in need. This simplifies the process and helps the city avoid the predictable headaches associated with the broader suite of eligible recipients under this category.

B) A Ranked Priority list of Recommended ‘Buckets’

Per above, we hope we have simplified this process by recommending funding in two areas:

- 1) The ‘water and sewer’ needs that the city has identified which qualify for ARPA funding, up to \$400,000.
- 2) The balance of the funds should be used to for the response ‘...to the far reaching public health and negative economic impacts of the pandemic..’ and limited to support for the nonprofit community, including reimbursements for expenses incurred and funding to sustain work and programs that are/were directly or indirectly impacted by covid.

We don’t believe there’s a need to rank these recommendations, given the fact that the city has the ARPA resources to do both.

C) A recommended approximate percentage of ARPA funds that should be reserved for each "bucket"

It is our understanding that the city has approximately \$XXXX in remaining ARPA funds. Therefore, a \$400,000 water/sewer investment would represent X% of remaining funds and we recommend allocating the remaining X% to supporting nonprofit organizations.

D) Any additional recommendations to the City Commission

We recommend a 2-part approach to implementing the nonprofit funding component:

- 1) Immediately issue grants in the full requested amount to four organizations that have already made a formal request for funds. This would include:
 - a. \$10,000 to Aspen;
 - b. \$25,000 to the Park County Community Foundation;
 - c. \$30,000 to LivWell49 (through their fiscal sponsor Livingston Healthcare
 - d. \$102,000 to the Livingston Food Resource Center.

The only other nonprofit that's made a formal request is the Livingston Depot but it did not provide the necessary detail so we suggest you encourage them to apply through the round 2 RFP process. If the city were to issue all of the four recommended grants, it would be a total of \$167,000.

2) Issue an RFP (or whatever process works for the city) inviting Livingston nonprofits to apply for ARPA funds, giving them up to 30 days to apply. We believe that Park County has a simple yet effective form that the city could essentially copy with a few word changes (we would be pleased to provide the Commission a draft for consideration upon request). It's effective in that the form itself is not overly burdensome for organizations already stretched for time and resources yet it's targeted in that it provides the list of ARPA qualifying expenses which will help filter out groups that might not actually qualify for funding.

3) We suggest the city formally request an opinion from the city attorney or the MT League of Cities and Towns (or some other authoritative ally) for an opinion as to if a portion of remaining ARPA funds could be applied to some form of flood relief, and if so, what would be acceptable.

Lastly, While City Resolution 5027 stipulates the termination of this ad hoc committee upon completion of this report, we offer our services in the future to assist the commission in determining the dispensation of remaining ARPA funds.

Thanks for the opportunity to be part of this process,

The ARPA Visioning Committee

This committee recommendation was accepted and approved by the Livingston City Commission on August 9, 2022, 4-0, Chair Nootz was absent.
Faith Kinnick
Recording Secretary