

**TOWN OF ARUNDEL, MAINE
BOARD OF SELECTMEN MEETING**

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**Monday October 25, 2021
Arundel Municipal Building
7PM
Zoom Taping**

- I. Call to Order
- II. Approval of Agenda
- III. Public Forum – Public comment on non-agenda items
- IV. Approve Minutes of October 12, 2021
- V. Committee and Board Reports
- VI. Manager's Report
 - Rail crossing on Log Cabin Road
 - Charter Review Committee
 - Kennebunk River Advisory Committee
 - HAZ-MAT Day 10-30-21
 - AMB Plaque
- VII. Business
 - American Rescue Plan
 - Approval of Accounts Payable Warrant
- IX. Other Business /Adjournment

TOWN OF ARUNDEL

468 LIMERICK RD ARUNDEL MAINE 04046 (207) 985-4201 FAX (207) 985-7589

BUSINESS MEETING October 25, 2021

EXECUTIVE SUMMARY

BOS Members: The purpose of this summary presented is to give you some information over and above just the mentioning of the subject matter on the agenda. It is my hope that this information assists you in your decision making.

MANAGERS REPORT

-Rail Crossing Log Cabin Road: It seems with all the phone calls both the MDOT and NNEPRA were able to get their work order generated to repair the travel way across on Log Cabin Road. It certainly is better than right after the rail work. As you all know crossing railroad tracks is never smooth but it is much better.

Thanks to all of our elected officials for their involvement.

-Charter Review Committee: All the folks who showed an interest in serving have returned my e-mails with one exception. Therefore unless I hear strong objections I will coordinate Wednesday November 10th, 7^{PM} as the kick off meeting after which the general group can establish additional dates and time for meeting with the goal of having amendments ready for Annual Town Meeting.

-Kennebunk River Advisory Committee: Presently I have four names with interest in serving. Unless a Board members wishes to serve on this committee I will establish the first meeting for the committee and then allow those citizens to set their meeting and I will coordinate the meeting space if needed.

HAZ-MAT Day: A reminder the day is set for Saturday October 30th, 9AM to 12 Noon at the Public Works Garage. Flyers are out and the Day is posted on the website.

-Building Plaque: Selectmen Hayes has been a super help in assisting on some of the details related to the building. She had suggested that we develop and place on or in the building a plaque that would memorialize the folks involved in the construction of the Municipal Building. Attached I have placed my attempt to make this happen.

BUSINESS

-American Rescue Plan Funds: Our paperwork has been submitted and we have been earmarked for \$464,047.88 of these funds. Half of the funds should be placed in our bank the first of November. My thought on the use is to work in earnest to secure a relationship with the Kennebunk Sewer District (KSD) and begin the process of expenditure of funds. These funds have to be spent by 2026.

ADJOURNMENT

**TOWN OF ARUNDEL
BOARD OF SELECTMEN**

Tuesday October 12, 2021
Arundel Municipal Building
7 PM

Members present: Selectmen Tom Danylik, Phil Labbe, Velma Hayes, Jason Nedeau, Dan Dubois

Others: TM Trefethen, Jack Reetz, Henry Ingwersen, Roger Taschereau, Sam Hull, Emily Nedeau.

Call to Order: Chairman Danylik called meeting to order @ 7:00 PM

Approval on Agenda: *MOTION Hayes second Dubois “approve agenda as presented” passed 5-0.*

PUBLIC FORUM

-Henry Ingwersen read a letter thanking the Board of Selectmen for their support of the event Trail Fest operated by the Arundel Conservation Trust.

Approval of Minutes: *MOTION Hayes second Dubois “approve minutes of September 27, 2021 as amended” passed 5-0.*

Committee & Board Report: Open no action

Managers Report:

- EMS Staffing: Manager provided additional hourly adjustments for the Advance and Basic EMT and the effect these adjustment will have on the approved budget \$25,412.00 of additional spending. Changes would included Advanced EMT wage to \$20/hr and Basic EMT Rate to \$18/hr. *MOTION Hayes second Dubois “approve the adjustments in pay as proposed provided the expenses are contained in the current approved budget” passed 4-0-1 (Nedeau)*

-Vacation Maximum's: Manager provided a modification to the Vacation Maximum in the personnel policy (page #13), to allow over 20 year employees to accumulate an additional 100 hours of vacation time from 200 to 300 hours but only allow upon separation to get compensated for 200 hours. *MOTION Nedeau second Dubois “allow the modification of the policy as reviewed and discussed*

*with regard to the vacation maximum's for those over 20 year employees.”
passed 5-0.*

-Railroad Crossing on Log Cabin Road: The Town Manager explained the issue with the upgrades to the crossing by Pan Am and the problem that we now face with the road approaches. This is a State Road and concerns of legal liability for the town where discussed if a repair is made by the Town on a State Road. Suggestion to engage a Traffic Engineer to view this issue and provide guidance was discussed and with the paving season ending quickly “time is of the essence”.

Business:

- Bandaloo Liquor License renewal: *MOTION Hayes second Dubois “approve the renewal application was submitted and reviewed by staff” passed 5-0.*

-Charter Review Proposed Amendment Changes: Board felt that the proposed changes by the manager were a good first start. Board asked that the “working copy “to provided to the Committee Members and suggest several dates and times that this review could begin.

-Kennebunk River Advisory Committee: Resident Sam Hull and Henry Ingwersen were present offering their participation in assisting with review of the plan, collaboration with our neighboring communities and education the public of the plan proposals. Manager will solicit other advisory members via the town web site and report back the folks interested in serving.

-MOTION Hayes second Dubois “approve account payables as presented and reviewed” passed 5-0.

Other Business

-Selectmen Dubois discussed with the Board an e-mail reference to Beach Parking Permits for Arundel even though we have no access to the beach. We are associated via the School Community with Kennebunk and Kennebunkport two beach front communities. No action taken.

**ADJOURNMENT MOTION Dubois second Nedeau “to adjourn” passed 5-0 @
8:44PM**

Respectfully submitted,

Keith M. Trefethen
Town Manager

ARUNDEL MUNICIPAL BUILDING

BUILT 2020

GENERAL CONTRACTOR: Ouellet Construction, Brunswick, Maine

ARCHITECT: Port City Architecture, Portland, Maine

MUNICIPAL BUILDING COMMITTEE

Jack Turcotte; Chairman, Rob Ingwersen; Vice Chair

Steve Dalzell, John Bell, Ethan Davis, Jack Reetz, Rich Fitzmorris, Joe Simard

ARUNDEL BOARD OF SELECTMEN

Jason Nedeau; Chairman, Daniel Dubois; Vice Chair

Thomas Danylik, Velma Hayes, Phil Labbe

TOWN MANAGER

Keith M. Trefethen

American Rescue Plan: Considerations for Municipalities

MMA Legal Services

(Current as of October 1, 2021)

Below MMA Legal Services briefly addresses preliminary considerations for Maine municipalities concerning the American Rescue Plan and expected allocations for municipalities in Maine.

(Note: this guidance will be updated as new information becomes available.)

1. What is the American Rescue Plan?

The American Rescue Plan Act (ARPA) is a federal law that was signed by President Biden on March 11, 2021. One portion of the ARPA amended the Social Security Act to establish a Coronavirus State Fiscal Recovery Fund (§ 602), and a Coronavirus Local Fiscal Recovery Fund (§ 603). (Public Law 117–2, codified at 42 U.S.C. 802 *et seq.*)

The State and Local Fiscal Recovery Funds established by ARPA are intended to help state, local, and Tribal governments respond to the impact of COVID–19 on their communities, residents, and businesses. The Fiscal Recovery Funds provide over \$350 million in emergency funding to state and local governments, building on and expanding assistance provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).

Funding:

2. How much funding will our municipality receive? (Updated 10/1)

The U.S. Treasury Department has already issued allocations for states and for “metropolitan” cities. There are six municipalities in Maine classified as metropolitan cities for purposes of ARPA allocations: Auburn, Bangor, Biddeford, Lewiston, Portland, and South Portland. See U.S. Treasury [Allocation for Metropolitan Cities](#).

All other municipalities in Maine are classified as “non-entitlement” units of local government (NEUs). The State of Maine will receive [\\$119,223,764.00](#) for distribution to all Maine NEU municipalities. Allocations of this total sum will be divided among Maine NEUs proportionally based on population.

Funding allocations for NEU municipalities were finalized [on August 25, 2021](#). Local Fiscal Recovery Funds are currently being issued to municipalities across Maine by the State of Maine Department of Financial & Administrative Services (DAFS) based on the municipality’s proportional share of population, not to exceed the amount equal to 75 percent of the most recent municipal budget as of January 27, 2020.

The US Treasury will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. The State of Maine has received \$59.6 million for immediate distribution to NEU municipalities, with a second tranche of equal value expected in approximately one year and distributed at that time.

3. How will we receive our ARPA funds? (Updated 10/1)

The ARPA provides direct payments to states, counties, Tribal governments and “metropolitan cities.” The six Maine Metropolitan cities may request funds directly from the U.S. Treasury Department [here](#).

Smaller local governments that are classified as NEUs will receive ARPA funds through the state DAFS, which is responsible for the management and administration of Local Fiscal Recovery Fund allocations to Maine’s NEU municipalities. In conjunction with the announcement of the State fiscal recovery program on August 25, 2021, DAFS also unveiled an [online portal](#) through which Maine NEUs can request the Federal funding.

4. When will Maine communities receive the funds? (Updated (10/1)

Metropolitan cities could begin requesting Local Recovery Funds directly from the U.S. Treasury as of May 10, 2021.

The DAFS [online portal](#) is active as of August 25, 2021, and NEU municipalities have until **October 24, 2021** to request funds.

5. How do NEU Municipalities request funds through the DAFS online portal? (Added 10/1)

DAFS is creating accounts in its [online portal](#) for each NEU municipality based upon records submitted to DAFS in accordance with DAFS guidelines. Step-by-step instructions on how to create an account and submit a request for funding can be found [here](#). NEU municipalities may also contact DAFS ARPA support members at 888-804-2544 or Maine.ARPA@hornellp.com.

6. What should NEU municipalities do now to prepare to accept the funds?

There are a number of things municipalities can do now to prepare to accept their allocation of Local Fiscal Recovery Funds from DAFS. These include:

- Review U.S. Treasury’s [pre-submission checklist](#);
- Request a [DUNS](#) number if your municipality does not already have one;
- Gather additional payment information including:
 - Taxpayer ID,
 - Authorized representative information,
 - Banking information (bank name and contact information, routing number)
- Appoint an authorized representative (select board/council member);
- Review and sign necessary authorization documents:
 - [US Treasury Award Terms and Conditions](#) for NEUs
 - [Assurances of Compliance with Title VI of Civil Rights Act](#) of 1964
- Register with [Sam.gov](#) (federal government portal for conducting financial assistance processes);
- Prepare to confirm operating budget as defined by U.S. Treasury when DAFS requests;
- Begin thinking about the impacts of COVID-19 on your community, and start planning how you will investigate COVID-19 impacts on the municipality, households and businesses; and
- Brainstorm ways to engage the public in discussion of your municipality’s priorities.

Local Approvals:

7. Do we need municipal legislative body authorization to accept the fund transfer?

At this point it does not appear that a vote is needed to simply receive the funds from DAFS. 30-A M.R.S. § 5773(1) allows the municipal officers of a municipality to contract for and accept an “offer or a grant of federal or state aid, or both, for any purpose for which a municipality may raise or expend money.” However, municipalities will need to closely track and account for the funds within their internal bookkeeping and accounting systems both for reporting purposes and to segregate them from other unappropriated municipal funds.

8. Do we need municipal legislative body authorization to appropriate the funds for a specific purpose? (Updated 10/1)

Nothing in the ARPA varies the usual rules relating to municipal appropriations of funding and approval of municipal spending. Therefore, the municipality’s legislative body will need to appropriate and authorize use of Local Fiscal Recovery Funds toward one or more eligible uses in the same way it would appropriate and authorize expenditure of any other municipal revenues. Moreover, because conditions and limitations accompany the grant funds, the municipal legislative body should affirmatively approve the town’s use of the funds.

The following warrant article may be used as a template for appropriation of funds toward a municipal project:

Art. ____. “To see if the Town will vote to appropriate \$ _____ from Coronavirus Local Fiscal Recovery Funds (*aka* American Rescue Plan Act or ARPA funds) received by the Town from the federal government for the following project: (here describe project) .”

Note that the sample warrant article above is for municipalities where *town meeting* is the municipal legislative body; municipalities where a *council* is the legislative body should use language that is customary and/or required by their charters for council appropriations.

9. If our town meeting annually approves a general warrant article allowing the municipal officers to accept all grants and spend them for any purpose allowed – is this sufficient? (Updated 10/1)

MMA Legal Services does not believe a general or “blanket” warrant article is sufficient to accept grants that include specific conditions limiting the use of funds, include specific terms and conditions that the municipality must adhere to, and/or that include possible penalties or repayment of funds. Our recommendation is that the use of ARPA funds and associated grant conditions be approved specifically by the municipal legislative body. Moreover, from a practical standpoint, seeking approval from the municipal legislative body for specific projects is an effective means to allow public input and participation in the process.

10. Must we decide how we will use the funds and spend them right away?

No. Project costs must be incurred by December 31, 2024, but the U.S. Treasury interprets this to mean only that municipalities must have “obligated” the funds by that date. To “obligate” the funds means to legally commit the funds to a specific purpose. The allowable performance period runs until December 31, 2026, so municipalities will have a reasonable amount of time to complete projects funded with Local Fiscal Recovery Funds.

Municipalities are strongly encouraged to **be patient, strategic, and deliberate** in planning for the best use of Local Fiscal Recovery Funds received.

11. May we decline the funds?

A municipality may decline its allocation of ARPA funds and allocate them back to the state. To decline the funds, a municipality must sign a U.S. Treasury form designated for that purpose. Formally declining ARPA funding may also require authorization from the municipal legislative body (town meeting or council).

Any municipality considering declining its ARPA allocation is encouraged to wait and go through the effort of assessing eligible uses in the municipality. The eligible uses for Local Fiscal Recovery Funding are more flexible than it may seem upon initial review, and therefore a thorough consideration of options for the funding is warranted. Municipalities have until December 31, 2024 to obligate funds, and there does not appear to be a penalty for waiting until then to decide how the funds may be used.

Eligible Uses:

Municipalities are strongly urged to thoroughly review the [U.S. Treasury list of Frequently Asked Questions](#) when considering eligible uses of Local Fiscal Recovery Funds. Note also that these FAQs are updated often.

12. Are there limits to our municipality’s use of the funds?

There are significant limitations to the use of Local Fiscal Recovery Funds, but the guidelines for spending the funds are drafted to provide substantial flexibility for municipalities to meet local needs relating to the COVID-19 pandemic. The U.S. Treasury Interim Final Rule outlines four broad categories of eligible uses for Local Fiscal Recovery Funds:

- To respond to the public health emergency or its negative economic impacts (i.e. assistance to households, small businesses, and nonprofits, or aid to impacted industries – tourism, travel, hospitality);
- To provide premium pay to eligible workers responding to the public health emergency;
- To provide government services to the extent of the reduction in revenue due to COVID-19 relative to revenues collected in the most recent full fiscal year prior to the COVID-19 pandemic (calculation required); and
- For necessary investments in water, sewer and broadband infrastructure.

Within these four eligible use categories, municipalities have flexibility to decide how best to use the funding to meet the needs of their communities. The ARPA encourages municipalities to use funds to

address racial disparities, inequities, and disproportionate harm on certain populations resulting from the pandemic.

See “Quick Links to Resources” section below for links to additional information on eligible uses.

13. Is the U.S. Treasury rule listing eligible uses final?

No. The U.S. Treasury regulation is an interim final regulation. Although it is in force at this time and may be relied upon, it is possible that some provisions may be revised to clarify eligible uses when the final rule is issued.

14. Are there any uses that are expressly prohibited?

There are several uses that are expressly prohibited by the Interim Final Rule. They include:

- Pension funds
- Legal settlements
- Rainy day and other reserve accounts
- Existing debt service
- Federal grant match requirements

15. May we use the funds for road maintenance or general infrastructure improvements?

There is nothing in the Interim Final Rule that specifically allows for use of funds on infrastructure except for water sewer and broadband (see questions 25 & 26 below). However, one of the three broad use categories allows a recipient municipality to use ARPA funds to provide government services to the extent that it has experienced a revenue loss due to COVID-19. If a municipality can demonstrate a **reduction in general revenue**, calculated using the formula outlined in the U.S. Treasury Interim Final Rule, it has broad latitude to use funds for the provision of “government services” up to the amount of the calculated reduction in revenue.

“Government services” can include maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, funds cannot be used to pay debt service or interest costs on infrastructure projects.

See [U.S. Treasury FAQs](#), questions 3.8 and 4.2 for more information.

To calculate whether the municipality has experienced a reduction in general revenue, [see U.S. Treasury FAQs](#), Nos. 3.1 – 3.12.

16. May we use the funds to purchase capital equipment or make capital improvements? (Updated 10/1)

See question 15, above. If the recipient municipality can demonstrate a **reduction in general revenue**, as calculated by the formula outlined in the U.S. Treasury Interim Final Rule, then it has broad latitude to use ARPA funds – up to the amount of revenue reduction -- to provide government services. See US

Treasury FAQ question Nos. 3.1 – 3.12. For example, new capital equipment (e.g., public works equipment, fire truck) or building improvements (e.g., library addition) that are connected to a municipal service would be eligible.

Under the category of “Responding to the Public Health Emergency/Negative Economic Impacts” which includes “COVID-19 response, mitigation, and prevention activities” capital investments in public facilities to meet pandemic operational needs are also eligible, such as adaptations to public buildings to implement COVID-19 mitigation tactics. This may include items such a new ventilation system in a public building to address air quality issues, or a building addition to provide a meeting room in a municipality with no safe meeting space. Such projects likely would be eligible if they can be linked to prevention or mitigation of the COVID risk. See [US Treasury FAQ # 2.1](#). Other examples might be a vehicle to be used as a mobile vaccination clinic. This category authorizes a broad range of expenses including vaccination programs and supports for vulnerable populations to access public health services.

17. May ARPA funds be used to improve outdoor spaces (e.g. parks, trails, tennis courts)? (Added 10/1)

If a municipality experienced a reduction in general revenue, calculated using the formula outlined in the U.S. Treasury Interim Final Rule, it may use ARPA funds – up to the amount of revenue reduction -- to provide government services (including recreational services). See US Treasury FAQ question Nos. 3.1 – 3.12.

Provided a municipality can document compliance with applicable criteria, these projects may also be an eligible use of funds as a response to the public health emergency and/or its negative economic impacts. See the following examples:

- (1) The US Treasury Interim Final Rule identifies certain types of services that are eligible uses when provided to persons living in a Qualified Census Tract (QCT), or to other populations where it can be shown there was a disproportionate negative economic impact resulting from COVID. Investments in parks, public plazas, and other public outdoor recreation spaces may be responsive to the needs of QCT or disproportionately impacted communities by promoting healthier living environments and outdoor recreation and socialization to mitigate the spread of COVID-19.
- (2) Assistance to small businesses in all communities could include enhancing outdoor spaces for COVID-19 mitigation (e.g., restaurant patios).
- (3) Funds might be used to address damage or increased maintenance needs if it can be shown that there was an increased use of parks during the pandemic that resulted in damage or increased maintenance needs.

See [US Treasury FAQ No. 2.18](#) for more details.

18. May we use the funds to reduce the tax commitment? (Added 10/1)

No. The purpose of the American Rescue Plan is to ensure that needed funding and resources are directed to the vital services, public employees, small business and families that have struggled during

the pandemic. The U.S. Treasury has confirmed that for uses aimed at addressing the economic impact of the pandemic to households, which a reduction in property tax assessments would be considered, municipalities must demonstrate that any direct payments to individuals are reasonably proportional to the negative economic impacts they are intended to address. Such a calculation is not possible with an across-the-board reduction in the tax commitment. See [U.S. Treasury FAQs](#) No. 2.6. Also see question 22 below.

19. May we use funds to compensate municipal employees who mitigate and respond to the COVID-19 health emergency?

Yes. However, specific limitations apply. Generally, funds could be used for payroll and benefit expenses for public safety, public health, health care, human services and similar employees, including first responders, whose services are substantially dedicated to mitigating or responding to the COVID-19 health emergency, but only to the extent that the employee's time is dedicated to responding to the COVID-19 public health emergency. See [U.S. Treasury FAQs](#), Nos. 2.14, 2.15 and 4.7 for more details and limitations, including examples of public safety and health employees.

The Interim Final Rule also allows municipalities to use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes costs related to disbursing payments of Local Fiscal Recovery Funds and managing new grant or loan programs using Fiscal Recovery Funds. See U.S. Treasury FAQs, No. 10.2.

20. May premium pay be provided to municipal employees?

Yes, if the employees are considered "essential workers." Regarding premium pay, see [U.S. Treasury FAQs](#), Nos. 4.7, 5.1, 5.2, and 5.3, and see the [Preamble to the US Treasury regulation \(page 26798\)](#), for a discussion of the objectives of premium pay. Note that premium pay may only be paid to "essential workers," and that not all municipal employees would be considered essential workers. See question 21 below.

21. Which employees are considered "essential workers"? (Updated 10/1)

The Interim Final Rule defines essential workers as "those in critical infrastructure sectors who regularly perform in person work, interact with others at work, or physically handle items handled by others. Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Municipalities have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents." See [U.S. Treasury FAQs](#), No. 5.1 – 5.3.

To decide if an employee is eligible for premium pay, each position must be reviewed on a case by case basis. First, determine if the position is in a "critical infrastructure sector" that has already been identified in the rule. If not, the rule does allow municipalities to identify other sectors but the municipality must be able to justify why those other sectors are "considered critical to protect the health and well-being of residents." Second, review the specific position and the employee individually

to see if the employee did/does perform “essential work.” The rule defines “essential work” as “work that: (1) Is not performed while teleworking from a residence; and (2) Involves: (i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or (ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work. [Interim rule § 35.3](#).

Employees that meet the criteria above may be given premium pay within allowed limits for work they did or do perform – meaning up to \$13 per hour in additional pay, with a limit of \$25,000 per employee. However, if the premium pay would put the employee above 150% of the greater of the state or county average annual wage, specific justification for how the pay responds to the needs of these workers is required.

22. May Local Fiscal Recovery Funds be used retroactively to reimburse costs incurred in response to the COVID-19 pandemic?

Generally, no. Use of Local Fiscal recovery Funds is forward looking. The Interim Final Rule only permits Local Fiscal Recovery Funds to cover costs incurred during the “covered period,” which begins on March 3, 2021. However, it is possible to use Local Fiscal Recovery Funds to provide retroactive premium pay to essential workers for work performed during the pandemic. See [U.S. Treasury FAQs](#), No. 2.7, 4.7, 5.3.

23. May we use the funds to provide direct payments to municipal residents/households?

Yes, such a use of funds could be considered an eligible use to respond to the public health emergency or its negative economic impacts. However, limits apply depending on the specific type of grant program proposed. For example, municipalities must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the economic impact they are intended to address. To that end, if a municipality proposes to provide direct payments to residents it should fully research eligible use limitations. It is also recommended that a municipality enact an ordinance containing objective criteria for determining eligibility for pandemic related economic impacts and a standardized application and review process. Municipalities will need to request sufficient information from applicants to verify an eligible use of the funds and to enable reporting to U.S. Treasury as to use of the funds. For more on use of Local Fiscal Recovery Funds for direct assistance to households see [U.S. Treasury FAQs](#), No. 2.6. Also, see question 30, below for reporting requirements.

24. May we use funds to provide assistance to local businesses?

Yes, but limitations apply. Included in the list of eligible uses to respond to the public health emergency and economic impacts is assistance to small businesses, non-profits, and impacted industries. This includes the development of grant or loan programs to mitigate financial hardships, or to implement COVID-19 prevention tactics (improved ventilation, barriers and partitions, enhanced cleaning). To implement such a loan or grant program, the municipality’s legislative body should first enact an ordinance or detailed warrant article outlining the basic parameters of the program, including, maximum grant amounts, objective criteria for evaluating eligibility, and a standardized application and review process. Municipalities will need to request sufficient information from applicants to verify an eligible use of the funds and to enable reporting to U.S. Treasury as to use of the funds. For more on

eligible uses to assist impacted businesses and non-profits, see [U.S. Treasury FAQs](#), Nos. 2.8, 2.9, and 2.10.

25. May we use the funds for broadband capability in the municipality?

Yes. Local Fiscal Recovery Funds may be used to invest in broadband infrastructure. Eligible broadband projects must be designed to improve service to “unserved and underserved” households and businesses (those areas lacking access to at least 25/3 Mbps wireline service), and must provide service that reliably meets or exceeds symmetrical speeds of 100Mbps. For more on eligible broadband infrastructure projects under the ARPA, see [U.S. Treasury FAQs](#), Nos. 4.2, 4.7, 6.2, 6.5, 6.6, and 6.7.

In addition, the state [ConnectMaine](#) authority has a number of resources to assist communities with planning broadband projects.

26. May we use funds for water and sewer improvements?

Yes. Local Fiscal Recovery Funds may be used to invest in necessary improvements to water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. To assist municipalities in identifying allowable investments, the ARPA aligns its eligible water and sewer eligible uses with those supported by the U.S. Environmental Protection Agency’s Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). For more information on the types of projects supported by the EPA state revolving funds, or to contact those programs, see the following links:

[CWSRF eligibilities](#)

[DWSRF eligibilities](#)

27. May we use funds for efforts to address climate change within the municipality? (Added 10/1)

Although climate change mitigation is not expressly listed as an eligible use, the U.S. Treasury encourages Local Fiscal Recovery Fund recipients to consider projects to improve resilience to the effect of climate change under the water and sewer infrastructure improvement eligible use category. Many of the types of projects eligible under either the CWSRF or DWSRF also support efforts to address climate change. For more on eligible water and sewer infrastructure projects under the ARPA, see [U.S. Treasury FAQs](#) No. 6.1, 6.7, 6.13, 6.14, and 6.15.

28. What is a Qualified Census Tract and why is it important?

A “Qualified Census Tract” (QCT) is a designated geographic area defined by the U.S. Census Bureau in which at least 50% of households are considered low income households. Under the ARPA, the U.S. Treasury will presume that certain types of services are eligible uses when provided in a QCT, or when provided to families living in QCTs.

Municipalities may have more flexibility to use Local Fiscal Recovery Funds within a QCT. The U.S. Treasury Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury

will presume that certain types of services are eligible uses when provided in a QCT, to families living in QCTs, or when these services are provided by Tribal governments. See [U.S. Treasury FAQs](#), No. 2.11 for more details.

Refer to the U.S. Department of Housing and Urban Development website to determine if there is a QCT in your community. <https://www.huduser.gov/portal/qct/index.html>

29. May we use the funds to cover costs of administering the funds and complying with reporting requirements?

Yes. Municipalities may use funds to cover time and resources spent on administrative work related to disbursing payments of Local Fiscal Recovery Funds, managing new grant programs established using Local Fiscal Recovery Funds, and also complying with reporting requirements. See [U.S. Treasury FAQs](#), No. 10.2.

Reporting:

30. What type of reporting will be required? (Updated 10/1)

Reporting on the use of Local Fiscal Recovery Funds will be required at both the state and local level.

Metropolitan Cities: Municipalities designated as metropolitan cities (those municipalities that received Local Fiscal Recovery Funds directly from the U.S. Treasury Department) must submit an ***interim report*** identifying expenditures by category at the summary level. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to U.S. Treasury by August 31, 2021. Metropolitan cities will also be required to submit ***quarterly Project and Expenditure reports*** detailing financial data, information on contracts and sub-awards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. The deadline for submission of the first quarterly Project and Expenditure Report was recently extended. This report will cover two calendar quarters from the date of award to December 31, 2021, and must be submitted to U.S. Treasury by **January 31, 2022**. This is a change from the previously communicated October 31, 2021 due date for the Project and Expenditure Report.

Non-entitlement Governments: NEUs (municipalities that received Local Fiscal Recovery Funds from DAFS) must submit an ***annual Project and Expenditure report***. The Deadline for submission of the first annual Project and Expenditure Report was also recently extended. The first NEU Project and Expenditure report will cover activity from the date of award to March 31, 2022 and must be submitted to U.S. Treasury by **April 30, 2022**. This is a change from the previously communicated October 31, 2021 due date for the NEU Project and Expenditure Report. NEUs are not required to submit an interim report.

Quick Links to Resources:

U.S. Treasury [webpage on Coronavirus State and Local Fiscal Recovery Funds](#)

National League of Cities (NLC) Fact Sheet for [Metropolitan Cities on Accessing ARPA Funds](#)

NLC [General ARPA Local Fiscal Recovery Fund FAQs](#)

NLC [Local Action Tracker](#)

Information for Non-entitlement communities:

U.S. Treasury [Non-entitlement webpage](#) (includes links to allocation information)

- [FAQs \(on Distribution of Funds to NEUs\)](#)
- [Non-entitlement Unit of Local Government Checklist for Requesting Initial Payment](#)
- [Award Terms and Conditions for Non-entitlement Units of Local Government](#)
- [Assurances of Compliance with Title VI of the Civil Rights Act of 1964](#)

NLC [Guidance on accessing Non-entitlement funds](#).

NLC Fact Sheet: [How States Can Allocate Coronavirus State & Local Fiscal Recovery Funds to Local Governments](#)

Guidance on Eligible Uses:

- U.S. Treasury [Interim Final Rule](#)
- U.S. Treasury [FAQs \(Main\)](#)
- NLC fact sheets:
 - [How to Use Coronavirus State & Local Fiscal Recovery Funds to Ease Budget Shortfalls](#)
 - [Prohibited Expenditures](#)
 - [Premium Pay](#)

Guidance on Reporting:

NLC Fact Sheet: [How to Meet Reporting Requirements for Coronavirus State & Local Fiscal Recovery Funds](#)

Where can we find more information?

Members are encouraged to contact MMA Legal Services to discuss specific questions and concerns at 800-452-8786 or legal@memun.org. Also, visit MMA's dedicated webpage on the American Rescue Plan (<https://memun.org/Training-Resources/Local-Government/ARP-Local-Relief-Frequently-Asked-Questions>) to find links to additional resources.