



# Making the Most of ARPA

Sharon Eveland, City Administrator, Clintonville

\$438,000. That is what the City of Clintonville is estimated to receive from the American Rescue Plan Act. \$438,000 for a city of just under 4,500 people. When I first heard Congress had passed ARPA, just like many of you I'm sure, my brain started running a million miles an hour about everything that we could possibly do with those funds. I started getting bombarded by emails and webinars and advice from everyone under the sun about what we should do (and not do) with this historic, never-before-seen funding directly to every single municipality in the county. It was overwhelming to be honest.

Now, \$438,000 may not seem like a lot of money compared to what larger cities are getting, but for Clintonville, that's the equivalent of roughly a third of our operating levy and almost our entire annual public works operating budget. So for us, it's a huge deal and, since I am someone who likes to organize and make plans, I did what I do best: organized and made a plan.

Within a month of the passage of ARPA, I had a preliminary proposal on how the city should allocate and expend its funds. Of course, I knew we still needed to wait to see what the Treasury guidance was going to be, but I preferred to have our plan mostly ready to go once the guidance was out and the first round of funds made its way here. For me, I felt waiting meant being behind the proverbial 8-ball when it came to being prepared to disburse funds however we chose (or, more accurately, were permitted) to disburse them. Then that guidance came and I thought my head was going to explode from all the complexities, stipulations, and regulations that were involved. Has anyone else tried to figure out the math behind the revenue loss calculation?

We all thought the point was to make this as simple as possible, but other than the process of getting the money to the municipalities, the guidance turned out to be anything but simple. It's unfortunate that a program of such a historic nature and with the potential to have such an incredible impact on communities all over the country is going to be stymied by 151 pages of rules. It would be great if local governments, which know their communities and needs better than the state and federal governments, were simply trusted to use the funds in ways they felt were best to help their communities recover, but it seems that Treasury has forgotten the purpose

of the forest in favor of counting the trees. There are so many regulations that we will need to spend valuable ARPA money to manage the funds as dictated by Treasury. It's a waste, but that's a sermon for another day.

After reading through the behemoth-sized publication, I realized my plan would need massive adjustment to adhere to the Treasury guidance, and even then, it would be a painful, bureaucratic slog. It would be easy, as I am sure many of you have realized, to take this funding and throw it at a water and/or wastewater project and be done with it. In a fit of frustration, I briefly considered throwing my hands in the air and recommending just that before Jerry encouraged me not to give up (thanks Jerry!). Reminding myself that the easy way wasn't always the best way, I went back to my initial plan and committed to tweaking it enough to make it work.

In Clintonville, every sector has been impacted by the pandemic and we wanted to cover as many segments of our city as possible. Some have been able to manage those impacts better than others but, for many, it may take years to fully recover.

One strategy I used was to mirror federal programs as much as possible. This appears redundant at first glance, and perhaps counter to the advice of using ARPA to fill in the gaps of federal programs, but one of the things I heard from businesses is that the federal process was either too difficult to navigate or they simply weren't awarded funding in the end. We have all read multiple examples of how funding intended to help small businesses wound up in the hands of the large national chains because of the way the rules were written and the professional resources those large entities had on hand to pursue and obtain that funding. So, while some of our programs seem like duplication of effort, the intent is to ensure that effort actually reaches our community. In broad strokes, our plan seeks to make the city's funds whole as much as possible, improve our remote technology for meetings, provide direct support to businesses, nonprofits, and residents, and provide a little funding for the water and wastewater project planned for this year for which we recently had to forgo some grant funding.

For city operations, we are not going to try to determine lost revenue. Treasury has made that so complicated that the uncertain potential of financial returns does not justify the certain investment of man-hours. We intend to provide premium pay to our election workers, retroactive to the start of the pandemic. (Bless those amazing and dedicated souls for all that they have done and endured over the last year.) My understanding is that premium pay for essential workers is the only thing ARPA will fund retroactively. Our plan also calls for us to strengthen our remote meeting technology. At the beginning of the pandemic, we started broadcasting our meetings on Facebook Live and it quickly became obvious that citizens were far more engaged than they ever had been with in-person meetings. Like many small communities swimming in these uncharted waters, we did encounter technological challenges and we want to improve that experience for people and ensure those who may not be ready to come back into the world are able to stay engaged.

For our businesses, we created several programs aimed at supporting different sectors. All of these programs require some level of certification that the businesses experienced a negative impact as a result of the pandemic, from a simple signed attestation to profit/loss statements or balance sheets. For 2021, businesses with a storefront in the city can apply for a grant covering the full cost (minus state minimums) of certain business licenses, including beer/liquor. We also segregated a small pool of funds specifically for tourism and lodging entities. Additionally, we are partnering with our local EDC to provide funding for businesses in launching e-commerce platforms to improve market penetration and customer outreach while creating financial resilience through a multi-faceted approach to sales. Lastly, we allocated funds to our RDA to provide a one-time boost to our Building

Improvement Grant Program that provides financial assistance to our downtown Main Street businesses for exterior building improvements. A strict interpretation of Treasury rules may frown on this program, but I contend it means a business doesn't have to choose between making repairs to their building and hiring or re-hiring an employee and I'm willing to fight that fight if it comes to it.

On another front, we are providing grants to any nonprofit that suffered an economic loss and we have also dedicated a fund specifically for cultural and performing arts organizations. Organizations that clearly demonstrate that COVID has increased client need and put pressure on resources even if revenue has not suffered would also be eligible. (Think about a food pantry that is lucky enough to receive the same funding as previous years but is having to provide food to twice as many people as usual.)

For our residents, we established a utility assistance program that will pay up to \$1,000 on certain past due residential accounts whose account holders suffered an economic loss due to the pandemic. We initially wanted to apply funds to past due accounts much in the same way someone does when they clear school lunch balances, but Treasury's insistence on providing proof of economic impact for those receiving funds has made that plan unfeasible. So here's where I go back to mirroring federal programs. There's a COVID program for individuals that only requires attestation of having suffered an economic impact and I don't want to force someone to bring in their unemployment information or check stubs for examination. It's hard enough as it is to swallow your pride and ask for help and I'm not going to make that harder.

So, that is our program in a nutshell. I could spend far more time explaining the program structures, eligibility



Treasury has put out that it will require periodic reporting from all recipients so creating a system for tracking your ARPA funds and how they were spent will be critical. This is definitely something you need to carefully and thoughtfully plan out. If you haven't already, I would suggest you create a special, segregated ARPA fund. Code all ARPA-funded expenses and create a file (electronically if you can) for each program you fund with ARPA. Keep all paperwork related to expenditure of funds in those files. If you have multiple businesses receiving funds, consider creating a sub-file for each recipient. Any papers or forms you or applicants used in connection with these funds should be saved and organized for easy access. Keep good notes regarding justifications for programs and how those programs are responding to the pandemic. You certainly don't want to find yourself having to repay these funds when Treasury demands information that you do not have or cannot find because you failed to create a good tracking system or clearly demonstrate the pandemic connection.

requirements, and monitoring system but, truthfully, we're still tweaking the metaphoric root system. If you want to know more, please feel free to reach out and we'll bust out the shovels together. But I will leave you with this. At the end of the day, you know your communities best and have to decide what will work for you regardless of all the advice out there, including mine!

## About the Author:

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Sharon Eveland is the City Administrator for the City of Clintonville, located in northeast Wisconsin, where she has served for four years. She manages a full-service city of 4,500 people with 50 full-time staff and 75 part-time and seasonal staff. She hails from Georgia, has an MPA from Georgia Southern University and a Bachelor of Arts in History from Armstrong Atlantic State University, and served in the US Navy as an Arabic Linguist and Intelligence Analyst for eight years. She is Vice President of the WCMA and a member of the ICMA. She enjoys assisting the League when called upon, including participating as a panelist in a discussion about levy limits hosted by WisconsinEye and serving on the League's legislative advisory board. She and her husband have three sons, one of whom recently followed in her footsteps and enlisted in the Navy. Contact Sharon at [seveland@clintonvillewi.org](mailto:seveland@clintonvillewi.org) or [seveland1980@gmail.com](mailto:seveland1980@gmail.com)