



Town of Bristol
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Memorandum

To: Bristol Selectboard
From: Kris Perlee
Date: October 11, 2024
CC: Town Administrator, Treasurer

ARPA Fund Allocation

There has been confusion surrounding our ARPA funds. When the funds were originally distributed to the Town, the belief was that once we had them, we could do whatever we wanted with them. The belief was that if we designated them for a use, we had no deadlines for the use.

I had concerns about some of the allocations and if they would be considered “obligated” by the Treasury. Per a summary document titled “State and Local Fiscal Recovery Funds (SLFRF): Obligation IFR Quick Reference Guide” from the Treasury, recipients must obligate SLFRF funds by December 31, 2024, and expend obligated funds by December 31, 2026. Also, Under the revised definition of “obligation,” the term continues to mean an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.

I attempted to review our current process and was concerned that we would not meet these requirements. I reached out to Katie Buckley from VLCT for clarity. I provided her with our current documentation and expenditures to date. Here response is as follows:

“The PDF named “ARPA Fund Balance” is an ARPA-to-date detail transactions report showing expenditures that through today’s run total \$583,351.65. Based on the award total above less the amount spent to date, there are \$565,392.92 in ARPA funds remaining. Of these remaining ARPA funds (\$565,392.92), how much is “obligated” meaning it has a signed contract or a vendor accepted purchase order to support it? I can see in the spreadsheet a long list of “allocations” but unless these items have signed contracts, POs or the checks have been written for the purpose listed, they are not obligated by Treasury’s definition.”

We discussed possible solutions on how we could obligate the remaining money so we do not need to return it to the Treasury. She has suggested the following solution. I have also attached a detailed copy of her email for more clarity.

- Transfer remaining funds to the General Fund
 - Decide how to obligate the funds
 - Create resolution
 - Approve resolution in a warned meeting
 - Reflect the action in the meeting minutes
 - Town Clerk will record the resolution
 - Treasurer performs journal entry to move money

This process will free up general fund revenue that we would have been used to pay our expenses. Using this unanticipated revenue will create a fund balance in the general fund. At this point the Selectboard needs to decide what to do with these funds. Some options are:

- Using as a revenue source for upcoming budgets
- Transfer to existing reserve funds
- Create new reserve funds

Per Katie, “Since the legislative body will be using general funds (not ARPA) the federal character of the money no longer exists (no timelines or regulations).”

I would like to find expenses for this current fiscal year to apply this money to. One of the suggestions was to obligate funds to previous payroll expenses. We will have paid out \$471,280.50 in wages from July 1, 2024 to October 11, 2024. Our current payroll is \$30,000 a week. We have two pay periods left in the month of October. We will have around \$530,00 of payroll by months end. This leaves around \$30,000 we need to obligate. We also have items like cleaning up at Varney Cemetery, a new pick-up truck for the Fire Department, the Peace Garden request, and others. These items will need a signed contract, vendor accepted PO, or and actual purchase by December 31, 2024. You also allocated money for the future Farmers Market you could pay out now. We cannot obligate this money to pay off existing debt.

The next step would be to approve a resolution to obligate moneys to payroll expenses. Per Katie’s e-mail, During the meeting, pass a motion to “approve the Resolution to expend SLFRF funds in an amount up to \$530,000.00 for the purpose of municipal workforce retention to pay for payroll expenses for the period 07/01/2024 through 10/31/2024.” Once you have contracts, Pos, or receipts, similar resolutions will need to be made for those expenses.

Once the unanticipated funds move to the General Fund, they may be used as the board wishes.