



G R E A T E R S A L T L A K E

Municipal Services District

STAFF REPORT

Date: February 5, 2024

From: Brian Hartsell

RE: Update on ARPA Funds

1. In November and December of 2023, I shared via email and a report at the Dec 13 board meeting, updated ARPA guidance from the US Treasury. This information included guidance to clarify what “obligated” means in terms of the Dec 31, 2024, deadline to obligate ARPA funds. Key excerpts from the guidance found at the links contained in the Treasury email include:

AMENDMENT TO THE DEFINITION OF “OBLIGATION” AT 31 CFR 35.3 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.

AMENDMENT AND REPLACEMENT OF CONTRACTS AND SUBAWARDS In general, recipients cannot re-obligate funds or obligate additional SLFRF funds after the obligation deadline of December 31, 2024. For instance, if a contractor makes a change order request after December 31, 2024, that necessitates a contract amendment, the recipient would not be permitted to obligate additional SLFRF funds to the project because the obligation deadline would have passed...

This means a contract we are confident in may be entered into prior to Dec 31, 2024 and the funds expensed by Dec 31, 2026. An example might be a contract for road maintenance or awarded bid for a capital project where the award and associated obligation takes place prior to Dec 31, 2024, but the work itself is performed in 2025 or 2026. ARPA funds should otherwise be both obligated and expensed prior to Dec 31, 2024.

While there are exceptions if de-obligation occurs and a re-obligation is needed, there are certain criteria that have to be met and additional reporting requirements. To minimize risk, I suggest we avoid any scenario of de-obligating ARPA funds after Dec 31, 2024. In summary, all funds must be obligated by Dec 31, 2024—and in instances where the funds were contractually obligated prior to Dec 31, 2024, they may be expensed prior to Dec 31, 2026. Many of you have been spending ARPA funds on routine government functions—these types of expenses would still need to occur prior to Dec 31, 2024.

2. The Treasury Department’s Final Rule offered a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount for government services. Since each Township and Town received less than \$10M, they each selected the standard allowance and corresponding use category. **This means that municipalities can use their ARPA funds for any legal government purpose with only a few exceptions—such as not paying debt or into a**



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pension with the funds. See page 20 at <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>.

3. Below is a summary of the status of each member's ARPA funds as of Jan 31, 2024.
 - a. Table 1 shows the total ARPA distribution, expenditures to date, balance available, and then a projected balance available after current known allocations have been expended.
 - b. Table 2 shows the known allocations, or known planned uses, of ARPA funds.

Table 1

Entity	Total Distribution	ARPA Expenditures to date	Balance Available	Projected Balance after Planned Use
Brighton (UT1803)	\$ 32,191.00	\$ 32,191.00	\$ -	\$ -
Copperton (1804)	\$ 98,823.00	\$ -	\$ 98,823.00	\$ 98,823.00
Emigration Canyon (UT1807)	\$ 188,414.00	\$ 117,885.00	\$ 70,529.00	\$ 0.17
Kearns (UT1810)	\$ 4,299,678.00	\$ 654,538.00	\$ 3,645,140.00	\$ 694,152.85
Magna (UT1811)	\$ 3,189,431.00	\$ 23,548.00	\$ 3,165,883.00	\$ 2,615,883.00
White City (UT1823)	\$ 682,646.00	\$ -	\$ 682,646.00	\$ -
TOTALS	\$ 8,491,183.00	\$ 141,785.19	\$ 8,349,397.81	\$ 4,095,235.83

Table 2

Kearns	
Kearns portion of 4700S overage	\$ (1,646,669.00)
Bruce Field	\$ (75,000.00)
Mobility Hub	\$ (25,000.00)
S Kearns Elementary Traffic Calming	\$ (390,000.00)
Sams Blvd Traffic Calming	\$ (130,000.00)
6200 S Storm Drain (amount remaining from \$500K)	\$ (22,038.00)
6200 S Overlay Project (amount remaining from \$700K)	\$ (662,280.15)
Total	\$ (2,950,987.15)
Magna	
Payment towards 8000W/2700S Realignment Project (Committed)	\$ (100,000.00)
Payment towards 2820 S Sidewalk Project 7440 W - 7736 W	\$ (300,000.00)
2700S Environmental Study	\$ (150,000.00)
Total	\$ (550,000.00)
White City	
Street Lighting	\$ (122,646.00)
Sego Lily Project	\$ (560,000.00)
Total	\$ (682,646.00)
Emigration Canyon	
Floodplain Mapping Project	\$ (67,594.56)
Pinecrest Restroom Restoration	\$ (2,934.27)
Total	\$ (70,528.83)