



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

December 14, 2021

SUBJECT: American Rescue Plan Act Revenue Reduction Calculation

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Receive and file the American Rescue Plan Act (ARPA) calculation of revenue reduction (revenue loss) due to COVID-19. Direct staff to prepare a list of recommended expenditures based on the eligible use categories established by the U.S. Treasury.

Background/Discussion

ARPA was signed into law on March 11, 2021. The \$1.9 trillion economic relief package included \$350 billion in direct aid to local governments. Allocations were based on each local government's population. The City Wheatland's share is \$926,504. Payments will be made in two tranches. The first tranche (\$463,252) was received in May 2021. The second tranche (\$463,252) is expected in June 2022.

The Interim Final Rule (IFR), published by the U.S. Treasury on May 10, 2021, governs spending of the ARPA funds. The IFR identifies four eligible use categories:

- A. Responding to the public health emergency and any negative economic impacts
- B. Providing premium pay to essential workers
- C. Replenishing general revenue reductions (revenue loss) resulting from COVID-19
- D. Improving water, sewer, or broadband infrastructure

Category C (revenue loss) provides the City the most flexibility with regards to spending ARPA funds. Generally, the only government services costs that are excluded under Category C are paying for debt service, paying for judgements, and replacing rainy day funds. The amount available to spend under Category C is calculated based on a formula prescribed in the IFR. The City's revenue loss has been calculated using a spreadsheet tool provided by the League of California

Cities. The calculated revenue loss for the City of Wheatland is \$667,441. This means the City

Revenue Loss Calculation

Base Year Revenue x $[(1 + \text{Growth Adjustment}) ^ (n/12)]$

- Base Year is FY 2018-19
- Growth Adjustment is 4.1% or the average annual revenue growth from FY 2016-17 to FY 2018-19 (Wheatland growth adjustment is 6.65%)
- "n" = the number of months from June 30, 2019, to December 31, 2020

has \$667,441 in ARPA funds available to spend for Category C uses and \$259,063 in ARPA funds available to spend for Category A, B, and D uses. To facilitate Federal and State reporting and compliance requirements, the City will establish two project funds. One of the project funds will be used to account for Category C revenue and expenditures and the other project fund will be used to account for Category A, B, and D revenue and expenditures.

Alternatives

Provide alternative direction to staff regarding the calculated revenue loss and the preparation of recommended expenditures based on the eligible use categories.

Fiscal Impact

Fiscal impacts will be determined at a later date based on Council's approval of ARPA expenditures.

Attachments

1. Public Revenue Loss Calculator for California Cities

American Rescue Plan
 Coronavirus State and Local Fiscal Recovery Funds
Public Revenue Loss Calculator - for California Cities
 V3.0 Government-wide Basis (Full Accrual)



Agency Name:	City of Wheatland
Agency Contact Info:	league
Date:	Tuesday, November 23, 2021

Base Year Revenue: The amount of revenues collected in the most recent fiscal year prior to the public health emergency (i.e., the last fiscal year before January 27, 3030), called the base year value.

\$3,584,524

from "ActualRevenues" worksheet cell F50.

Growth Adjustment: The average percent revenue growth in the three full fiscal years prior to the COVID-19 public health emergency -or- 4.1 percent, whichever is greater.

6.65%

from "ActualRevenues" worksheet cell E52 or 4.1% whichever is greater.

Fiscal Year End Date: The date for the most recent full fiscal year prior to the declaration of public health emergency on January 27, 2020.

June 30, 2019

Revenue Loss Summary				
Reporting Period	Months Elapsed	Counterfactual Revenue	Actual Revenue	Revenue Loss
January 1, 2020 - December 31, 2020	18	\$ 3,948,186	\$3,280,745	-\$667,441
January 1, 2021 - December 31, 2021	30	\$ 4,210,901	\$1,749,527	-\$2,461,375
January 1, 2022 - December 31, 2022	42	\$ 4,491,098	\$1	-\$4,491,097
January 1, 2023 - December 31, 2023	54	\$ 4,789,939	\$1	-\$4,789,938

computed from "ActualRevenues" worksheet.
 Government-wide basis of accounting (full accrual).

Complete beige cells. Others are computed from worksheets.

Summary of Actual Revenues – Governmental and Proprietary Funds

Complete beige cells

Note: "General Revenue" as used by the US Census Bureau and by US Treasury's interim Final Rule regarding the Coronavirus State and Local Fiscal Recovery Funds under the American Recovery Plan (ARP) refers to the general nature of the SOURCE of the revenue not the PURPOSE. That is, "general revenue" includes revenues regardless of the level of discretion over the use of the funds, including fees, charges, special taxes, assessments, etc. and regardless of whether the funds are accounted for in the general fund or not. Include all governmental funds (general and special), proprietary funds, Do not include trust, fiduciary or internal service funds.

	FY2015-2016 Year Ending June 30, 2016	FY2016-2017 Year Ending June 30, 2017	FY2017-2018 Year Ending June 30, 2018	FY2018-2019 Year Ending June 30, 2019	July 1, 2019 - Dec 31, 2019	Jan 1, 2020 - June 30, 2020	July 1, 2020 - Dec 31, 2020	Jan 1, 2021 - June 30, 2021	FY2020-2021 Year Ending June 30, 2021
Taxes									
incl Property Taxes	629,472	649,277	679,878	732,729	387,147	387,147	407,527	407,527	815,054
incl Local Sales Taxes	677,364	736,575	801,867	1,131,864	359,158	359,158	462,839	462,839	925,678
incl Business License Taxes and Fees	12,402	12,273	13,473	13,804	5,950	5,951	7,879	7,879	15,758
incl Hotel Occupancy	-	-	-	-	-	-	-	-	-
incl Utility User	-	-	-	-	-	-	-	-	-
incl Parcel Tax	-	-	-	-	-	-	-	-	-
incl Documentary Transfer or Property Transfer	6,825	9,880	12,608	12,484	6,601	6,602	9,527	9,528	19,055
incl Other Taxes: Police Related Revenues	22,107	31,333	25,948	32,658	16,254	16,254	14,453	14,453	28,906
incl Other Taxes: MVIL	1,394	1,576	1,847	1,679	1,465	1,466	1,335	1,335	2,670
incl Other Taxes	-	-	-	-	-	-	-	-	-
incl Franchises	94,651	112,910	109,344	115,287	59,128	59,129	63,320	63,320	126,640
Current charges - including fees, fines, penalties, licenses, permits									
incl Hospitals	-	-	-	-	-	-	-	-	-
incl Highways	-	-	-	-	-	-	-	-	-
incl Air transportation (airports)	-	-	-	-	-	-	-	-	-
incl Parking facilities	-	-	-	-	-	-	-	-	-
incl Port facilities	-	-	-	-	-	-	-	-	-
incl Parks and recreation	35,886	26,066	49,198	53,782	25,848	25,848	36,032	36,033	72,065
incl Housing and community development	38,968	74,486	86,045	64,709	12,880	12,881	13,029	13,029	26,058
incl Sewerage, Wastewater, Drainage	870,781	880,843	917,403	942,635	501,039	501,039	500,424	500,424	1,000,848
incl Solid waste management	-	-	-	-	-	-	-	-	-
incl Water - current charges	-	-	-	-	-	-	-	-	-
incl Electric - current charges	-	-	-	-	-	-	-	-	-
incl Gas - current charges	-	-	-	-	-	-	-	-	-
incl Transit - current charges	-	-	-	-	-	-	-	-	-
incl Other charges: Cost Recovery	279,179	215,297	238,105	258,199	133,110	133,111	149,297	149,297	298,594
incl Other charges:	34,433	-	30,260	66,691	16,629	16,629	-	-	-
incl Other charges	-	-	-	-	-	-	-	-	-
Miscellaneous general revenue									
incl Interest earnings, rents, concessions	37,830	56,088	64,803	89,270	45,305	45,305	31,184	31,183	62,367
incl Special assessments	70,370	-	-	-	-	-	-	-	45,421
incl Sale of property	-	-	-	-	-	-	-	-	-
incl Sale investments or assets - gain/loss	3,000	2,317	-	-	-	-	-	-	-
incl Other general revenue, including contributions, donations	17,158	50,065	27,675	23,522	6,120	6,121	7,258	7,258	14,516
Intergovernmental revenue									
incl From Federal Government	-	100,000	140,000	150,000	75,000	75,000	91,870	91,870	17,058
incl From State government (exclude federal pass-throughs)	3,310	76,266	73,856	45,211	-	-	-	-	183,740
incl From local governments (exclude federal pass-throughs)	138,612	20,000	-	-	-	-	-	-	-
incl Proceeds from debt or financing	-	-	-	-	-	-	-	-	-
incl Refunds and Other Correcting Transactions	-	-	-	-	-	-	-	-	-
Total	2,973,742	3,056,252	3,272,310	3,734,524	1,651,634	1,651,641	1,804,503	1,849,925	3,654,428
Total Exclusions	3,000	122,317	140,000	150,000	75,000	75,000	100,399	100,399	200,798
Net Total Revenue	2,970,742	2,932,935	3,132,310	3,584,524	1,576,634	1,576,641	1,704,104	1,749,526	3,453,630
Revenue Change Percent from Prior Year									
Average Prior Three Year Revenue Change Percent ==>>									
-1.27%									
6.80%									
14.44%									
6.65%									