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Subject: Public comment for the June 3rd Special Meeting
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Public Comment and Written Communication for the June 3rd Review and Discussion of the FY 2021/2023 Biennial Budget and Potential Uses of American Rescue Plan Act (“ARPA”) Funding.

I have given the American Rescue Plan Act a cursory read and it appears that the great thinkers in Washington have concluded that they will continue to pay people not to work and otherwise provide cash/benefits to individuals rather than provide any funds for government infrastructure.

In other words, all the assumptions that were the basis for the questionnaire provided by the City only led people to believe that tangible improvements could be made using the ARPA funds. This is no fault of the City, the game plan simply changed at the Federal level in the middle of the process.

The US Treasury published a Fact Sheet on May 10th that may contain some wiggle room for the use of these funds. <https://home.treasury.gov/system/files/136/SLFRP-Fact-Sheet-FINAL1-508A.pdf>

Beginning on page 2 of the Fact Sheet they state that “Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities.” One is to “Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic.”

On page 6 they expand this policy “Recipients may use these funds to replace lost revenue. Treasury’s Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic.”

Prior to the start of the Covid-19 business shutdowns the economy was on a solid upward track and revenues were increasing. During the 15-months of restrictions, business closures, and supply chain interruptions this growth was interrupted. The 2021-23 draft budget says, “Sales and use tax has historically increased year-over-year, however, revenues decreased 2.4% in FY 2019-20 due to Covid-19 restrictions and the resulting economic downturn.”

I would urge the City to recalculate the losses experienced by both the General and Enterprise Funds; then submit your claim to the appropriate Federal agency. Monies from these losses may have been used to facilitate the tangible infrastructure improvements that were part of citizen responses to the City questionnaire.

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