



## **The Weekly Update – January 13, 2022**

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***Attachments:***

1. Journal of City Commission Work Session, January 4, 2022
2. Department Monthly Update, December 31, 2021
3. City of Great Falls Pooled Investments as of November 2021
4. Memo from Tom Hazen on ARPA Final Rule and Funding Clarification

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**JOURNAL OF COMMISSION WORK SESSION**  
**January 4, 2022**

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Kelly presiding

**CALL TO ORDER: 5:30 PM**

**CITY COMMISSION MEMBERS PRESENT:** Bob Kelly, Joe McKenney, Susan Wolff, and Eric Hinebauch. Commissioner Rick Tryon participated via telephone.

**STAFF PRESENT:** City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney Jeff Hindoi; Finance Director Melissa Kinzler, Deputy Director Kirsten Myre and Grant Administrator Tom Hazen; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

**PUBLIC COMMENT**

Written correspondence was received via 1/3/2022 email from Children's Museum of Montana Executive Director Sherrie Neff, requesting that the Commission consider allocating the American Rescue Plan Act (ARPA) funds to the new Museum project.

**Shyla Patera**, North Central Independent Living Services, discussed the importance of keeping sidewalks clear of snow and debris and having as many pedestrian walkways with ADA accessibility as possible. Ms. Patera explained that Opportunities Inc. could use more interviewers for the Emergency Rental Assistance Program and some Housing and Urban Development (HUD) apartments have issues with bedbugs.

**Sherrie Arey**, NeighborWorks Great Falls Executive Director, commended City staff and Finance Grant Administrator Tom Hazen for their efforts with regard to ARPA Funding Recommendations. Ms. Arey suggested that the Commission consider allocating other transformative ARPA funds to NeighborWorks Great Falls, Great Falls Development Authority, and United Way. She added that those organizations could deploy funds quickly to citizens impacted by COVID-19.

**Brett Doney**, Great Falls Development Authority (GFDA), provided and discussed an Impact of COVID-19 on Industries of the Great Falls Region, Montana handout. He reported that COVID-19 has impacted the workforce, supply chain, and several small businesses in the community. Mr. Doney requested that the Commission consider allocating some ARPA funds to GFDA to assist with its demand on Gap and Bridge Financing, business technical assistance for businesses, and to support the surge of local entrepreneurship.

**1. SWEARING IN – NEIGHBORHOOD COUNCIL #4 MEMBERS.**

Mayor Kelly performed the Swearing-In for Neighborhood Council #4 Members Sandra Guynn, Susan Ashley, and Richard Ashley.

**2. NEIGHBORHOOD COUNCIL UPDATES – NEIGHBORHOOD COUNCIL # 4.**

Neighborhood Council #4 Chairperson Sandra Guynn discussed the following:

01/04/2022



**JOURNAL OF COMMISSION WORK SESSION**  
**January 4, 2022**

**AMERICAN RESCUE PLAN  
 FUNDING**



January 4, 2022

**American Rescue Plan Funding**

- Final allocation amount is \$19,472,737
  - 50% already received in May 2021 - \$9,736,368.50
  - 50% to be received in May 2022 - \$9,736,368.50
  - Must be obligated by 12/31/2024 and expended by 12/31/2026
- Abundance of Guidelines, rigidly formed
  - Interim Final Rule
  - FAQ's
  - Reporting Requirements
  - Webinars
- Conservative interpretation because of threat of claw back

**Eligible Use 1 of 4. Responding to the public health emergency and its negative economic impacts**

- For expense to be eligible, a recipient must:
  1. Identify a need or negative impact of the pandemic; and
    - Definition of a negative economic impact: an economic harm resulting from or exacerbated by the public health emergency.
  2. Identify how program will respond to or address the issue.
- The more directly a program responds to the current COVID-19 pandemic or acts to prevent future health emergencies the more likely to be found eligible.

**Eligible Use 1 of 4. (continued) Responding to the public health emergency and its negative economic impacts.**

- Eligible uses include, but not limited to:
  - COVID response and prevention
  - Investing in Tourism, Travel, and Hospitality Industries
  - Improvement of Design/Execution of Public Health Programs
  - Public health and safety staff to the extent time is spent mitigating or responding to the health emergency
  - Assistance to unemployed workers, small businesses, non-profits, households, and impacted industries
  - Building stronger communities through investments in housing and neighborhoods
  - Emphasis placed on mental health, substance abuse, behavioral issues, crime intervention practices
- Encouraged to focus on low income and those disproportionately impacted by COVID

**Eligible Use 2 of 4. To provide premium pay to essential workers**

- Definition of essential work: **not performed while working from home and involves regular in-person interactions with patients, the public, or coworkers or regular handling of items handled by patients, the public, or coworkers**
- Including, but not limited to:
  - Nursing homes, hospitals, home-care, food production, grocery stores, restaurants, sanitation, truck drivers, childcare, educators, social services
- Encouraged to prioritize lower income workers

**Eligible Use 3 of 4. To provide government services to the extent of government's revenue losses**

- Total city-wide general revenue
  - Not on a fund-by-fund basis
  - Utility revenue not included
- According to formula in the guidance, the City did not have any revenue loss through December 31, 2020
  - Revenue loss can be recalculated annually until December 31, 2023
- Other cities (Billings and Missoula for example) in Montana could document revenue loss on some level. This loss allows for increased discretion in project selection. Since Great Falls did not experience a similar loss the City does not have the same discretion as some other communities.

**Eligible Use 4 of 4. To make necessary water, sewer, and broadband infrastructure improvements**




- Water and sewer projects align with EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund
  - Storm water is included
  - Same projects would be eligible under HB 632
- Broadband infrastructure to supply to underserved areas and low income with symmetrical 100 Mbps download and upload.
  - Great Falls is currently attracting a surge in Internet Service Provider (ISP) attention and activity. Private party installations are anticipated to provide faster access than the goals stated in the Interim Rule.

**Explicitly Ineligible Uses of ARPA Funds**

- States may not use ARPA funding to offset a reduction in net tax revenue
  - Law does not explicitly grant eligibility to local governments
- No recipient may make a deposit to a pension fund
- Cannot be used to payoff debt
- Cannot be used to pay legal settlements
- Usage as matching funds depends on the language of the other grant.



**JOURNAL OF COMMISSION WORK SESSION**  
**January 4, 2022**

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|---|---|
|  <h3>Initial Prioritization by City Staff</h3> <ul style="list-style-type: none"><li>• Over 140 total project proposals received from all City Departments.</li><li>• Numerous rounds of review and discussion occurred following release of new guidance and reporting requirements.</li><li>• Many projects requested by Departments removed for ineligibility.<ul style="list-style-type: none"><li>• Majority of programs were determined to be ineligible due to indirect relationship to a need or negative impact of the COVID-19 pandemic.</li></ul></li><li>• Conservative approach yet \$111 million in requests still listed</li></ul> <p style="text-align: right;">16</p> |  <h3>Suggested Guiding Principles for Use of Funds</h3> <ul style="list-style-type: none"><li>• Funds are non-recurring so use should be applied primarily to non-recurring expenditures</li><li>• Pay direct expenses related to COVID response</li><li>• Funding use recognizes the impact to residents, families, and businesses</li><li>• Helps meet future requirements</li><li>• Special or unique opportunities</li><li>• Meets Commission priorities</li><li>• Prepares for future pandemic response and public safety</li><li>• Leverage community partners with existing programs to execute new programs – technical assistance</li><li>• Process will be public and transparent</li></ul> <p style="text-align: right;">17</p> |
|  <h3>Next Steps</h3> <ul style="list-style-type: none"><li>• Commission discussion on prioritization</li></ul> <p style="text-align: right;">18</p>  |   |

City Manager Doyon reported that the obligated and expended dates are important because some of the suggested projects are complex and allows for design and development before being committed to the project. There were City funds that lost revenue; however, it did not meet the threshold required by the Treasury. City Manager Doyon recommended to rehab funds directly with the CARES Act funding that the City received since there is no regulation with regard to how the City utilizes CARES Act funds.

Finance Director Melissa Kinzler added that several of the funds that lost revenue were General Fund supported to begin with and are going to need extra support either from the CARES Act or the General Fund.

Commissioner Hinebauch received clarification that Billings operates its airport and Great Falls has an independent Regional Airport Authority.

Commissioner Wolff received clarification that the City is currently working with fiber networks, as well as cable providers to install fiber network or cable services.

Finance Grant Administrator Hazen explained that HB 632 is the avenue that the State of Montana issues funding for ARPA eligible activities to communities around the state. The Public Works Department applied for grants for water and sewer programs, and has received one grant for \$2 million. A second round of grants is due on January 14, 2022 and City staff is submitting four more applications with hopes of increasing that amount. The Montana Department of Natural Resources and Conservation (DNRC) has already established rules and grading criteria for these grants and the Infrastructure Advisory Committee will notify City staff with regard to the status of the four requested grants. The City of Great Falls qualifies



**JOURNAL OF COMMISSION WORK SESSION**  
**January 4, 2022**

for a minimum allocation grant related to water and sewer programs that involves a 50/50 match requirement; however, the City has not utilized those funds because Staff wants to see what the state and local funding will be.

Commissioner McKenney inquired if there would be enough suppliers, supplies, contractors and engineers to meet the 12/31/2026 deadline to expend funds since the entire country is receiving ARPA funds.

Finance Grant Administrator Hazen responded that meeting the deadline should not be an issue; however, it should be a guiding factor in the Commission's decision if meeting the deadline is a concern.

Commissioner Wolff received clarification that the state awards approximately \$2 million per program and the City would receive approximately \$8 million, if the four grant requests that are due on January 14, 2022 are successful.

Finance Grant Administrator Hazen explained that the ARPA Application was drafted based on applications that the City and other organizations have released, would be used to release funds for community partners and was posted for public comment. A final draft has not been released to the community yet because the timelines and amount of funding is still unclear.

Mayor Kelly stated that utilizing Finance Grant Administrator Hazen's memo as a blue print would have to be the consensus of the Commission and there are eligible uses that can be directed with great efficiency to assist small business, non-profit organizations and housing. Mayor Kelly expressed support with regard to the application process for community partners to participate in receiving a portion of the ARPA funds.

Commissioner Tryon expressed opposition with regard to the application process and commented that he fully supports using the entirety of the ARPA funds that City has and utilizing Finance Grant Administrator Hazen's memo as a blue print with regard to how the City allocates ARPA funds. Commissioner Tryon added that the City has a great opportunity to utilize ARPA funds that would benefit the whole community in the most fair and equitable way possible. He concluded that he sees a real potential for problems by providing a portion of ARPA funds to businesses and organizations, such as transparency and conflicts of interest.

Commissioner Hinebauch received clarification that if a portion of ARPA funds are allocated to Community partners, those organizations would be sub-recipients and need to be compliant with the Department of Treasury regulations.

Commissioner Wolff expressed support with regard to waiting to see if the City will receive \$8 million from the four grant requests that are due on January 14, 2022.

Mayor Kelly stated that the eligibility and prioritization of CARES funds also need to be considered. He concluded that the City fully utilizing ARPA funds for City Department areas or allocating a portion of the funds to community partners are the two approaches that need to be determined. If allocating funds to community partners is considered, then a due date for the application, as well as a limit would need to be determined.

Commissioner McKenney responded that he is open-minded to both approaches; however, he would like more information.

**JOURNAL OF COMMISSION WORK SESSION**  
**January 4, 2022**

**DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon reported that the January 18, 2022 work session includes a Quarterly Downtown TIF update, and an update on EMS Transport Billing. A quarterly Budget Review update, as well as a discussion about the adoption of the permitting section of the International Fire Code will be included on the February 1, 2022 work session. Manager Doyon added that the Work Session Topic List is becoming full and suggested either holding off on Neighborhood Council reports or having additional work sessions in order to cover everything.

**ADJOURN**

There being no further discussion, Mayor Kelly adjourned the informal work session of January 4, 2022 at 6:50 p.m.

**Department Monthly Update**

**December 31, 2021**

**Key Updates**

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| <p><b>City Manager</b></p>   | <p>Attended SERC - Senior Advisory Committee meeting to review Homeland Security Grants at Fort Harrison in Helena.<br/>                 Secured new attorney for water right consulting - already being put to use for GFDA's "Project Falcon"<br/>                 Attended MT DEQ virtual meeting regarding PFAS detections in Whitmore Ravine.<br/>                 Participated in Association of Defense Communities Board Meeting and sub-committees.<br/>                 Worked through a wide variety of personnel issues including: legal matters, retirements, exit interview reviews with departments, addressed staffing resources, and work/life balance.<br/>                 Explored options related to software implementation in three departments.<br/>                 Met with representatives from Northrup-Grumman regarding community impact with GBSD.<br/>                 Utilized vacation time from December 22 - January 3.</p>  |
| <p><b>Deputy City Manager<br/>(IT, Clerk, Comm<br/>Specialist, Events,<br/>GFAS)</b></p> | <p><b>Info Tech:</b> I.T. implemented DMARC (Domain-based Message Authentication Reporting and Conformance) technology. By having DMARC in place, the City can better fight against email compromises, phishing and spoofing attacks. Mapping created an online open data site where the community can more easily download or view parcel information, access historical land data, addressing information and utilize mapping tools. The link to this site is: <a href="https://city-of-great-falls-1-cogf.hub.arcgis.com/">https://city-of-great-falls-1-cogf.hub.arcgis.com/</a><br/> <b>Animal Shelter:</b> Received \$10,318.23 in cash donations. The shelter took in 70 animals and had 69 animals adopted, redeemed, or transferred out. Arranged for 31 spay/neuter surgeries and had 39 City Licenses purchased. 37 animals were microchipped.<br/> <b>Clerk:</b> Completed the 2021 Iron Mountain Education Series on Digital Preservation; transferred official resolutions/ordinances to archival quality storage boxes for preservation and safekeeping; participated in arrangements for the swearing in ceremonies of 45 newly elected officials<br/> <b>Communications/Neighborhood Councils:</b> Helped organize and facilitate the 2022 Swearing-in Ceremony. Coordinated with the City Clerk to swear in 18 NC members who could not attend the ceremony on December 21. Recorded KGPR interviews with Commissioner Hinebauch and Park &amp; Rec Director Steve Herrig. Assisted with development and distribution of wildland/urban interface fire information following the Gibson Flats Fire in conjunction with the EOC and GFFR. Attend the EMS Advisory Board as a new member.<br/> <b>Events:</b> Sold 1400 hundred tickets for the highly popular Great Falls Symphony Christmas Concert. This represents our highest sales since the pandemic began and is a good sign things are returning to normal. The Great Falls Farmers Market rented the Convention Center and filled it with vendors to create a holiday market. Great Falls High returned this year for their Winter Formal in the Convention Center. Banff Film Festival also returned after missing last year.</p> |
| <p><b>Finance</b></p>  | <p>1) Continuing to implement Tyler Munis software for Finance and Utilities. The last module to implement is Tyler Cashiering. Energov (Community Development) went live on Tyler Cashiering in December. We are identifying which Department will go live on Tyler Cashiering next. Working on issues with Finance and Utilities software, including issues with Tyler Cashiering, Utilities, and Finance. Meeting twice a week with Munis about issues.<br/>                 2) In the process of completing the FY 2021 City of Great Falls financial audit. Audit field work started October 18th. Field work has been completed and we are responding to auditors questions as questions arise.<br/>                 3) Completed the Annual Comprehensive Financial Report (ACFR). The Auditors are reviewing the draft in anticipation of adoption of the ACFR at the end of February.</p>   |
| <p><b>Fire</b></p>   | <p><b>Operations Division:</b> GFFR fire apparatus responded to 611 emergency incident responses including 14 fires total consisting of: 7 structure fires, 3 grass/wildland fires, 2 vehicle fires, 2 other type fires. GFFR also responded to 32 motor vehicle accidents and 9 hazardous material incidents.</p>   |

**Department Monthly Update**

**December 31, 2021**

**Key Updates**

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|                          | <p>124 Advanced Life Support medications were administered by GFFR paramedics for conditions such as pain control, advanced cardiac life support, cardiac arrest, heart attacks, nausea, breathing difficulties and seizures. 109 advanced life support procedures were performed to include, advanced airway placements, cardiac monitor assessments, vascular access and intraosseous access procedures.</p> <p>7 patients were transported to the Emergency Department by GFFR ambulances (Rescue 4 and Medic 1) due to no Great Falls Emergency Services ambulances available. GFES were not available for a total of 16 hours and 41 minutes during the month of December. GFFR has transported a total of 74 patients for the year 2021.</p> <p><b>Fire Prevention Division (FPB):</b> Conducted 180 Annual Inspections, 32 Reinsertions, 15 new SIC inspections, 168 fire code violations noted, 1 Alarm System Accepted, 1 Hood System Accepted, 1 Sprinkler System Accepted, multiple plan sets reviewed.</p> <p>The FPB followed up on numerous broken fire sprinkler systems due to the sub-zero temperatures.</p> <p>Investigated multiple fires. These fires ranged from residential house fires to wildland fires in the contracted fire districts. None of the fires investigated by GFFR or the FPB during December were determined to be caused by arson.</p> <p>Worked with Inspection Reports Online to establish the 3rd party Inspection Testing and Maintenance roll out in January 2022 and with APX Data to be GFFR's pre-incident and fire investigation technology provider.</p> <p>City Knox Box Audit completed. 170 Knox Boxes were serviced and accounted for. These vaults provide keys to access businesses and buildings and allow for FD access in an emergency when the premise is not inhabited 24/7.</p> <p>The annual Safety Inspection renewal process has begun. Renewals got out late due to issues on EnerGov Software. Renewals are due by 1/31/22. The Fire Marshal is working with the City Attorney's office for those businesses who have yet to renew their SIC's for 2021. 15 15-Day compliance letters have been drafted and hand delivered by FPB staff. Those failing to comply will fall under the violation section of Title 5.</p> |
| <b>Housing Authority</b> | <p>Demolition has begun on the 6-plex remodel. Elevator upgrade meeting is scheduled for Wednesday January 5th to determine start times. Staff is interviewing for a maintenance position next week.</p>  |
| <b>Human Resources</b>   | <ol style="list-style-type: none"> <li>1) Continue to establish internal and external processes and procedures for new health and welfare benefits plans/vendors.</li> <li>2) Continue to seek solutions on overtime shift rates and longevity issues in implementation of HRIS (MUNIS) software.</li> <li>3) Managing recruitment for 22 vacant City positions.</li> </ol>   |
| <b>Legal</b>             | <ol style="list-style-type: none"> <li>1) Civil Division represented City's interests in matters such as Tyler/Munis/ EnerGov software implementation issues, cable system franchise and right-of-way regulation and use structures, Human Resource / personnel matters, Great Falls Housing Authority legal matters, defense of both driver's license suspension appeals and appeals of Municipal Court convictions in District Court, coordination and assistance with litigation matters referred to outside counsel, refining code enforcement process to more quickly cite and resolve escalated cases once received, and ongoing assessment of City's position relative to regulation of adult-use marijuana.</li> <li>2) Civil Division provided an opioid litigation update to the City Commission, helped facilitate the City Commission's amendments to and final adoption of the alarm agent licensing and alarm inspection ordinances, and the final adoption of the weapons ordinance.</li> <li>3) Civil Division processed 198 record requests.</li> <li>4) Criminal Division prosecuted/resolved over 1052 cases, processed 130 deferred prosecution agreements, and prepared 997 subpoenas for witnesses to attend trials and hearings.</li> </ol>  |



**Department Monthly Update**

**December 31, 2021**

**Key Updates**

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| <p><b>Library</b></p>                            | <p>1) The Library has been awarded \$5,000 from the Cross Charitable Foundation to support the installation of the permanent Story Walk. The full installation of the Story Walk will cost approximately \$16,000. The Library is actively working to raise the additional \$11,000. The 2022 University of Montana Geriatric Education Center (MTGEC) Dementia Award Committee awarded the Great Falls Public Library \$2,000 in funding to assist in establishing a monthly memory café program. The Library will be working with the Alzheimer’s Association of Montana to run the program.</p> <p>2) We received two excellent Master Plan Proposals. The Review Committee met on December 16th. In order to make a more informed decision, the committee has scheduled one-hour interviews with each company for December 29 and 30. We hope to have the contract (with correct insurance documents) ready for approval at the January 18th City Commission meeting.</p> <p>3) The Great Falls Public Library board of trustees voted unanimously to retain the name as the Great Falls Public Library during their Dec. 28 meeting.</p> <p>4) The Library Roof project has been successfully completed. The final payment of \$5,000 on the project won’t be paid until this Spring, when Centimark comes back to repair damage to the grass (and possibly sprinklers) on the West side of the Library.</p>  |
| <p><b>Park and Recreation</b></p>                | <p>1) Department supervisors welcomed and met with new commissioner Eric Hinebauch, 12/8/21.</p> <p>2) Park District project restabilization of Gibson Park pond wall was completed by Ivers Construction.</p> <p>3) Preliminary building construction began of the new indoor aquatic and recreation center by Swank Enterprises.</p>   |
| <p><b>Police</b></p>                             | <p>1) Command staff met with the new City Commissioners and provided an overview of the Police Department and 911 Center.</p> <p>2) GFFD and GFFR worked to implement the processes to move forward with the Mobile Response Team, to include involving the Crisis Intervention Collaborative in directing and providing resources to community members who are in mental health crisis.</p> <p>3) Continued with the hiring process and gave a conditional offer of employment to a new applicant.</p> <p>4) Command staff and the GFPPA worked collectively to re-tool the promotional process for Sergeant.</p>   |
| <p><b>Planning and Community Development</b></p> | <p>1) Ray Cook started as the Plumbing Inspector on December 20th. He is doing well learning how we do business.</p> <p>2) We have conducted a number of Building Inspector interviews and are narrowing down our candidates. We should be able to make an announcement within the next couple of weeks on who will replace Thad Goetz who shifted to the Plans Examiner position.</p>   |
| <p><b>Public Works</b></p>                       | <p><b>Sanitation:</b> The City of Great Falls and Republic Services have teamed up to offer Christmas Tree recycling. The trees will be used to provide fish habitats.</p> <p><b>Engineering:</b> Design of multiple projects through out the City. Hired two new inspectors. Identified projects to be submitted for second round of ARPA competitive grants. Continued with Development review training.</p> <p><b>Utilities:</b> 8 water main break repairs; 3 new water service taps; 1 new fire line tap; 1 hydrant replaced; 1 hydrant raised; 3 fire hydrant repairs; 1 gate valve repaired; 1 gate valve bolt replacement; 1 hydrant tee bolt replacement; 363 hydrants winter checked; and 168,642 ft sanitary sewers cleaned.</p> <p><b>Water Plant:</b> Continued to operate at 7 to 8 MGD (millions of gallons per day); Maintenance and repairs include: remove &amp; replace a CL17 analyzer, basin cleanings completed. Hauling sludge from the cells has begun. Lock out and tag out stations installed at pump stations.</p> <p><b>Street:</b> Wrapped up maintenance projects before winter weather set in; currently performing snow &amp; ice control.</p> <p><b>Traffic:</b> Applied pavement markings; checking sign reflectivity; repairing signals damaged by private vehicles due to careless driving.</p> <p><b>Environmental:</b> Conducted annual inspections for permitted industrial users; worked with consultant on Storm Drain Design Manual; completed standard operating procedures (SOP) training for MS4 program; posted draft Industrial Pretreatment (IPT) permit/rationale for Calumet Refining and GTF Airport for public comment period.</p> |

Department Monthly Update

December 31, 2021

Key Updates

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|  | <p><b>Central Garage:</b> Completed underground tank removal process. Our dirt samples came back clean. The City of Great Falls officially has no more underground tanks.</p> |
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## Finance Department Memorandum

To: Greg Doyon, City Manager; City Commission; Members of the Investment Committee

From: Melissa Kinzler, Finance Director

Date: January 3, 2022

Re: City of Great Falls Total Cash and Investments as of November 30, 2021

The City's total cash and investments at the end of November 30, 2021 was \$101,055,322.43. This included cash in bank accounts of \$13,274,323.78.

The maturity dates of the City's investments run to December 31, 2022 which falls within the 5-year statutory limitations. The investments in Montana Board of Investments and US Bank Insured Cash Sweep are liquid and may be called at any time.

|                                   | Book Value            | Investment Maturities |                   |                   |
|-----------------------------------|-----------------------|-----------------------|-------------------|-------------------|
|                                   |                       | 0-6 Months            | 7-12 Months       | 1-5 Years         |
| Cash on hand, deposits in banks   | \$ 13,274,324         | \$ 13,274,324         | \$ -              | \$ -              |
| Insured cash sweeps               | 47,605,178            | 47,605,178            | -                 | -                 |
| U.S. treasuries                   | 13,198,748            | 12,468,158            | 485,199           | 245,391           |
| Short term investment pool (STIP) | 26,977,073            | 26,977,073            | -                 | -                 |
| Totals                            | <u>\$ 101,055,323</u> | <u>\$ 100,324,733</u> | <u>\$ 485,199</u> | <u>\$ 245,391</u> |

The City's investment policy specifies the percentage that the City of Great Falls must have of the different types of instruments allowed by state statute. The chart below lists those percentages.

| Issuer category  | Minimum %    | Maximum % | City's Investments % as of November 30, 2021 |
|--|--------------|-----------|--|
| Master, savings, and ICS accounts                                      | 20% combined | 100%      | 84.96%                                       |
| State STIP's   |              | 100%      |  |
| Money Market/Repurchase Agreements                                     |              | 100%      |  |
| Direct Obligations of the U.S. which includes Treasury Notes and Bills | 0%           | 80%       | 15.04%                                       |
| Obligations of agencies of the U.S.                                    | 0%           | 30%       | 0.00%  |



The graphs for the monthly cash balances for the Total Cash & Investments and General Fund are below. All fund cash balances are monitored on a monthly basis. Compared to the previous month, the Total Cash & Investments and General Fund balances have decreased. These decreases are expected and are following the normal trend for November. The Total Cash & Investments decreased from \$104.4 to just over \$101.0 million at the end of November, 2021. The General Fund cash decreased from the previous monthly amount of \$4 million to a balance of a little under \$1.5 million. For the current year this trend may go a month longer as the first half property tax payment date has been moved from November 30, 2021 to December 31, 2021.

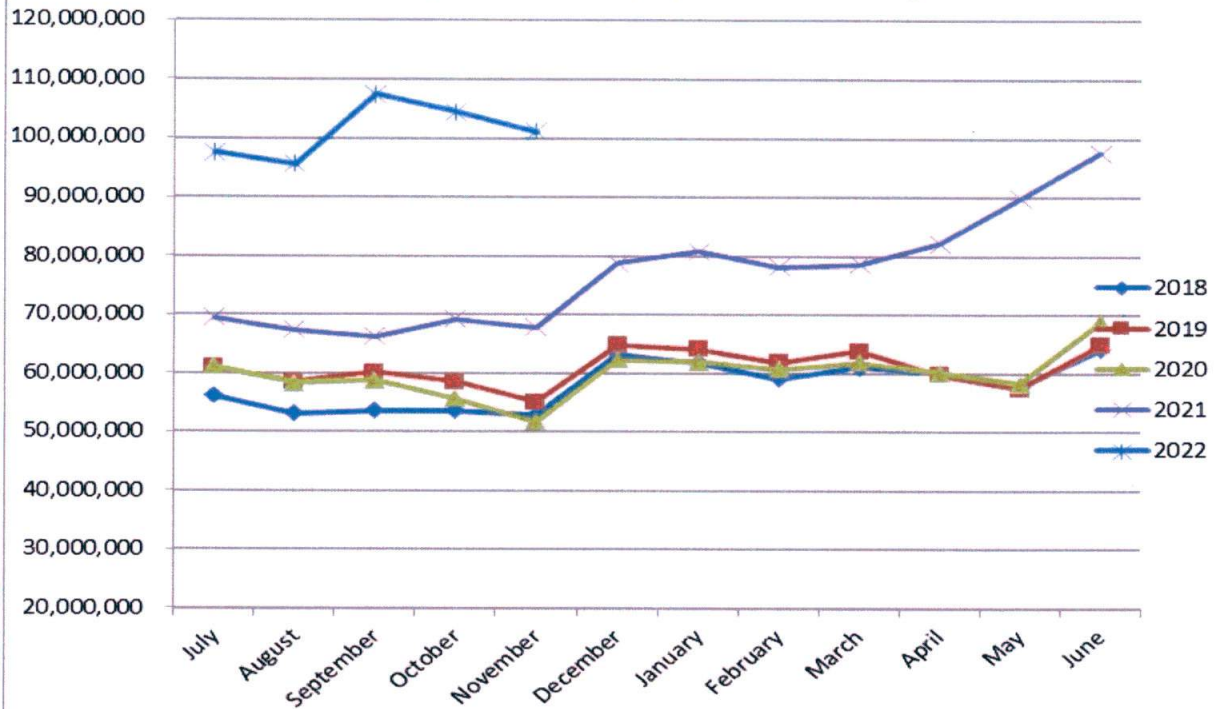
Compared to previous years, the Total Cash & Investments is at a higher level. The higher levels can be attributed to receipt of American Rescue Plan funding and bond funding including the Park Maintenance District and Downtown Tax Improvement District. These monies account for over \$27 million included in our Total Cash & Investments.

If you have any questions, please feel free to contact me at 455-8476.

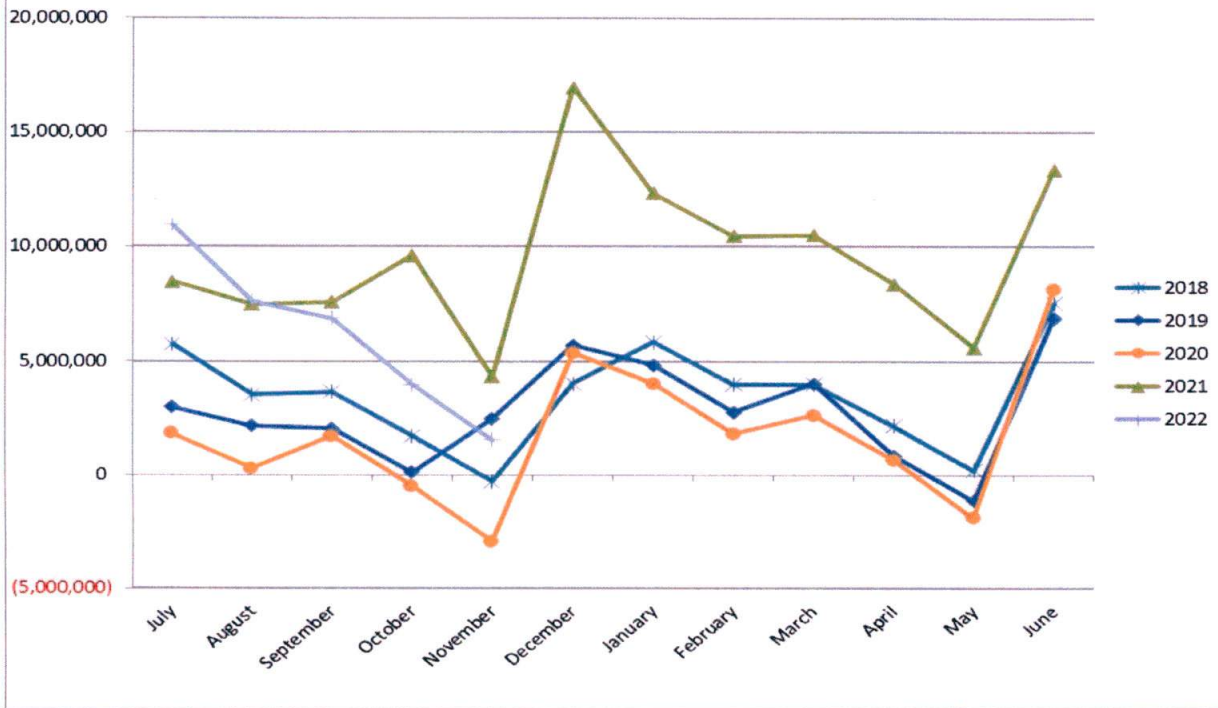
**City of Great Falls**  
**Total Cash & Investment Summary**  
**November 30, 2021**

| <b>CUSIP #</b> | <b>Description</b>                          | <b>Rate</b> | <b>Due Date</b> | <b>Principal Cost</b> | <b>Market Value</b> |
|----------------|---|-------------|-----------------|-----------------------|---------------------|
|                | US Bank Investments                         |             |                 |                       |                     |
| 912828G87      | US Treasury Note                            | 2.125%      | 12/31/2021      | \$ 245,546.88         | \$ 250,418.25       |
| 912828H86      | US Treasury Note                            | 1.500%      | 1/31/2022       | 247,968.75            | 250,610.50          |
| 912828H86      | US Treasury Note                            | 1.500%      | 1/31/2022       | 247,999.18            | 248,605.62          |
| 912828H86      | US Treasury Note                            | 1.500%      | 1/31/2022       | 247,999.18            | 248,605.62          |
| 9128282S8      | US Treasury Note                            | 1.875%      | 2/28/2022       | 244,570.31            | 251,119.00          |
| 912828J43      | US Treasury Note                            | 1.750%      | 2/28/2022       | 249,531.25            | 251,041.25          |
| 912828J76      | US Treasury Note                            | 0.051%      | 3/3/2022        | 9,997,472.22          | 9,998,680.00        |
| 912828J76      | US Treasury Note                            | 1.750%      | 3/31/2022       | 249,609.38            | 251,382.50          |
| 912828WZ9      | US Treasury Note                            | 1.750%      | 4/30/2022       | 241,894.23            | 251,718.75          |
| 912828XR6      | US Treasury Note                            | 1.750%      | 5/31/2022       | 246,113.28            | 252,070.25          |
| 912828XR6      | US Treasury Note                            | 1.750%      | 5/31/2022       | 249,453.13            | 252,070.25          |
| 912828XG0      | US Treasury Note                            | 2.125%      | 6/30/2022       | 244,457.50            | 252,910.25          |
| 912828N30      | US Treasury Note                            | 1.625%      | 8/31/2022       | 240,742.19            | 252,783.25          |
| 912828N30      | US Treasury Note                            | 2.125%      | 12/31/2022      | 245,390.63            | 255,009.75          |
|                | Insured Cash Sweep                          |             |                 | 47,605,178.03         | 47,605,178.03       |
|                | Total US Bank Investments                   |             |                 | 60,803,926.14         | 60,872,203.27       |
|                | State of Montana Short Term Investment Pool | 0.122%      |                 | 26,977,072.51         | 26,977,072.51       |
|                | Total Investments                           |             |                 | 87,780,998.65         | 87,849,275.78       |
|                | Cash on hand, deposits in bank              |             |                 | 13,274,323.78         | 13,274,323.78       |
|                | Total Cash and Investments                  |             |                 | \$ 101,055,322.43     | \$ 101,123,599.56   |

### City of Great Falls Total Cash & Investments Monthly Balance (by Fiscal Year)



### City of Great Falls General Fund Monthly Cash Balance (by Fiscal Year)





P.O. Box 5021, 59403-5021

## Memo

**Date:** January 13, 2022

**To:** Mayor Kelly & City Commission

**From:** Tom Hazen, Finance Department, Grants and Program Administrator,

**Re:** ARPA Final Rule and Funding Clarification

### I. ARPA Final Rule

The United States Department of the Treasury released the ARPA Final Rule last week. Surprisingly, the Rule contained several changes to eligible uses of funds. One change in particular will have a significant impact on the City's evaluation of ARPA related expenditures.

The Treasury's Final Rule offers a standard allowance of \$10 million in Revenue Loss to local governments. ARPA recipients now have the option of selecting this allowance in lieu of calculating revenue loss in the future. Recipients that select this allowance may spend up to \$10 million on government services. Based upon the Final Rule, related publications, and Treasury Department webinars, I am confident that this allowance may be selected by any Local Government regardless of allocation size or previous revenue loss calculations.

Government services spending is the most flexible use category under ARPA. Generally, Treasury will consider any expense related to any service traditionally offered by a government as eligible under this classification. Eligible projects may include construction, maintenance, purchasing, and administration expenses regardless of their relationship to the COVID-19 pandemic. I have attached a page from the Final Rule overview attesting to the flexible nature of the Government Services category of spending.

This is a significant shift for the City of Great Falls. The City was previously unable to establish revenue loss under the Treasury's formula. As a result, all evaluations of projects for ARPA eligibility were limited to the far more restrictive Health Response, Negative Economic Impact, Premium Pay, and Infrastructural categories. This led to our determination that all but 18 of the proposed projects were ineligible for ARPA funding.

All proposals previously considered ineligible can now be considered valid potential uses of ARPA funding. There may also be additional priority projects with immediate and far reaching benefits that were not submitted previously. This allowance grants the City the flexibility to reconsider spending up to \$10 million on these programs.

One note, this flexibility is limited to Government Services only. This does not apply to potential third party awards. In other words, any funds issued by the City to Community Partners will still have to adhere to the previously established eligibility requirements.

I will be prepared to discuss the Final Rule in its entirety at the next opportunity.





## **II. Different Funding Sources Clarification**

In order to minimize potential confusion as we begin discussing the use of federal funds issued to respond to the COVID-19 pandemic I have prepared a short reference document pertaining to the ARPA and CARES funds. This is meant as a “mile high” summary of these programs.

- **The American Rescue Plan Act (ARPA)** was signed into law on *March 11, 2021*. Under ARPA, the City of Great Falls will receive **\$19,472,737.00** (50% received in May of 2021, 50% to be issued in May of 2022) *directly from the Federal Government*. Eligible expenses under ARPA must be incurred *between March 31<sup>st</sup>, 2021 and December 31<sup>st</sup>, 2024*. All ARPA funds must be *expended by December 31<sup>st</sup>, 2026*. Additionally, to be considered “eligible” by ARPA standards, projects must fall under *one of the following categories*:
  - Respond to the public *health emergency or its negative economic impacts*; or
  - Providing *premium pay to essential workers*; or
  - Providing *government services to the extent of revenue lost* due to the health emergency; or
  - Make necessary investments in *water, sewer, or broadband infrastructure*.ARPA use requires ongoing reporting to demonstrate compliance and is potentially subject to a claw back provision if funds are misused.
  - **State of Montana House Bill 632** – The Federal Government also issued ARPA funds to the State of Montana. The Montana Legislature passed *House Bill 632* to create mechanisms to distribute these funds to local governments and businesses throughout the state.
    - The City submitted several applications for the first round of *competitive Water and Sewer Grants* and received one award for \$2 million. The City will submit *four more applications* to the second round of Competitive Water and Sewer Grants. Second round funding will be *capped at \$2m per award*.
- **The Coronavirus Aid, Relief, and Economic Security (CARES) Act** was signed into law on *March 27, 2020*. Under CARES, the State of Montana received funding from the Federal Government. The City of Great Falls *submitted and received reimbursement requests for COVID-19 related expenses* (the majority of which were Police, Fire, and Dispatch personnel expenses) totaling *\$11,244,351.02 from the State*. Of this amount, *\$936,029.00* is restricted to Dispatch related expenses. A total of **\$10,140,536.00** of CARES funding remains. The City satisfied all requirements associated with this balance by submitting reimbursement requests for specific expenses. These funds may now be considered *unrestricted*. Further, there are *no deadlines or reporting requirements* associated with the use of these funds.
- **The Infrastructure Investment and Jobs Act** was signed into law on *November 15<sup>th</sup> 2021*. This Act will invest *\$1.2 trillion* into the Nation’s roads, public transit, bridges, internet, and water systems. How to distribute these funds is still being evaluated. *At this time the City of Great Falls has not received or been allocated any funding through the Infrastructure Act*.



P.O. Box 5021, 59403-5021

Please let me know if I may provide any more insight into any of these topics.

Thank you.



## SPENDING ON GOVERNMENT SERVICES

Recipients can use SLFRF funds on government services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated using the above approach. **Government services generally include *any service traditionally provided by a government***, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive:

- ✓ Construction of schools and hospitals
- ✓ Road building and maintenance, and other infrastructure
- ✓ Health services
- ✓ General government administration, staff, and administrative facilities
- ✓ Environmental remediation
- ✓ Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section and apply to all uses of funds, apply to government services as well.