

July 23, 2021

**American Rescue Plan Act (ARPA)
Advisory/Consulting Services**

Please consider this a supplement to my verbal presentation and hand-out provided to the Alpena County Finance Committee on Wednesday, July 21, 2021.

We again express our interest and willingness to provide advisory services to Alpena County with respect to complying with and implementing the Coronavirus Local Fiscal Recovery Fund (CLFRF) as provided for under ARPA. We believe our familiarity with the County's fiscal operating systems, financial history, and personnel, should result in efficiencies in identifying eligible and allowable expenditures.

Four broad eligible uses have been identified by the U.S. Department of Treasury for ARPA funds:

- **Public Health and Economic impacts** – to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- **Premium pay** – to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal local governments that are performing such essential work or providing grants to eligible employers that have eligible workers who perform essential work;
- **Revenue loss** – for the provision of government services to the extent of reduction in revenue of such State, territory, or Tribal/local governments due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal / government prior to the emergency; or
- **Infrastructure** – to make necessary investments in water, sewer, or broadband infrastructure.

While substantial guidance has been published for which activities may be considered eligible within these four broad categories, additional practical activities will be identified as time goes by.

We will continue to monitor Treasury guidance and revelations put forth by peer groups.

American Rescue Plan Act (ARPA)
Advisory/Consulting Services (continued)

Because of the recent origin of this program and unidentified scope of the work needed or desired, we would provide these services on an hourly rate, that would be fair to the County and our Firm. Rates vary based upon the level of staff who may be providing services on the project. Currently, rates vary from \$70 to \$175 per hour. Rates are subject to change. Attached please find a summary of key staff members involved in our governmental auditing and consulting practices.

If we can answer any questions, or provide you any additional information, please contact me.

Sincerely yours,

A handwritten signature in black ink that reads "Philip T. Straley". The signature is written in a cursive, slightly slanted style.

Philip T. Straley, CPA/PFS
Straley Lamp & Kraenzlein P.C.

PROFESSIONAL STAFF

Straley Lamp & Kraenzlein P.C. has many professionals who have devoted a majority of their professional careers to serving their clients. Continued in-depth technical and on-the-job training is an essential element of the professional development of each staff member. In addition, the staff is actively involved in public affairs, serving in voluntary positions of leadership for community and professional organizations.

Straley Lamp & Kraenzlein is a versatile accounting and consulting firm that employs a professional staff of over 20, including ten Certified Public Accountants. We offer a broad range of services for the public and private economic sectors. Due to the size of our firm and our diversity of services, we are able to provide quality, professional, and personalized service to each of our clients.

Following is a brief summary of the key governmental auditing professionals most likely to be assigned to your engagement:



Philip T. Straley, CPA/PFS, Managing Partner

Phil joined Straley Lamp & Kraenzlein P.C. in 1983 and became Managing Partner in 1990. Phil has a broad and diverse background. After two years serving in the U.S. Armed Forces, Phil was employed an additional six years by the federal government. Subsequently, he worked two years for Ferris State University. In addition to being a Certified Public Accountant, he received a Bachelor's degree in Political Science and a Master's degree in Political Science, with minor areas of study in Economics and History from Eastern Michigan University. He has completed and been awarded the *AICPA Certificate of Educational Achievement for Governmental Accounting and Auditing*. Phil is also a licensed investment advisor holding both the Series 66 and 7 security licenses, as well as the Personal Finance Specialist (PFS) designation. Phil has over 36 years

of governmental audit and consulting experience and completes significant governmental continuing education courses each year.



James E. Kraenzlein, CPA/ABV/CFF, CVA, Partner

Jim graduated from Western Michigan University in 1995 with a Bachelor of Business Administration degree in Accounting and became a Certified Public Accountant in 1997. Jim currently works with for-profit, governmental, and non-profit clients in the audit, tax compliance and planning, and consulting areas. In addition to being a Certified Public Accountant, Jim has attained the designations of Accredited in Business Valuations (ABV) and Certified in Financial Forensics (CFF) from the American Institute of Certified Public Accountants, as well as Certified Valuation Analyst (CVA) from the National Association of Certified Valuation Analysts. Jim provides litigation support services to our broad client base. Jim has over 25 years of governmental and non-profit auditing and consulting experience and each year completes at least 40 hours in accounting and

auditing continuing education courses, including significant governmental auditing educational courses in excess of the minimum requirements.

PROFESSIONAL STAFF (continued)



Mary A. Pingot, Senior Auditor

Mary graduated with honors from Northwood University with a Bachelor of Business Administration degree in Accounting and Management. Prior to joining the firm in 2008, Mary held positions in the banking industry, the State of Michigan, and a regional accounting firm. Since joining Straley Lamp and Kraenzlein P.C. over twelve years ago, Mary has specialized in audits of governmental and non-profit organizations. Mary completes at least 40 hours in accounting and auditing continuing education courses, which is primarily focused in governmental entities.



Chelsea A. Meeder, CPA, Senior Auditor

Chelsea earned her Master's degree in Accounting and also holds a Bachelor's degree in Accounting and Fraud Investigation from Davenport University. Prior to joining the firm in 2015, Chelsea worked for large manufacturing and construction corporations as an accountant, an assistant to the controller, and in human resources. Since joining the firm, Chelsea has utilized her education specialization as an auditor for governmental and non-profit entities. Chelsea earned her Certified Public Accountant license in 2019. Chelsea completes at least 40 hours in accounting and auditing continuing education courses, which is primarily focused in governmental entities.



Andrew R. Lamp, CPA, Staff Auditor

Andy earned his Master's of Science in Taxation degree from Michigan State University in 2011, graduating with honors. Prior to that, he graduated with honors from Central Michigan University in 2010 with a Bachelor of Business Administration degree in Accounting. Since joining the firm in 2012, Andy has concentrated on tax advising and audits of governmental entities. Andy completes continuing education to meet all necessary professional and regulatory standards.



Leah M. Cox, CPA, Staff Auditor

Leah is a recent addition to our audit team. She earned her Bachelor of Business Administration degree in Accounting at Central Michigan University in 2013. She started her career in Corporate International Tax at Dow Corning Corporation, where she earned her Certified Public Accountant license in 2016. After a corporate acquisition by Dow Chemical Company, she transitioned to the Dow tax department to focus on Corporate Federal and State tax. In 2018, Leah moved on to work at Central Michigan University as the Auxiliary Fund accountant, contributing to the financial statements and other special reporting. As a recent addition to Straley Lamp & Kraenzlein, Leah will be focusing on tax and audit services. Leah completes continuing education to meet all necessary professional and regulatory standards.



Stefanie M. Dzieszinski, Staff Auditor

Stefanie graduated from Central Michigan University in December of 2017 earning her Bachelor's of Science degree in Business Administration, majoring in Accounting and Information Systems. Since joining the firm in early 2018, Stefanie has focused her auditing work on compliance for governmental and non-governmental entities. Stefanie's continuing education focuses on auditing of governmental and non-profit entities.

PROFESSIONAL STAFF (continued)



Jonathan P. Jack, Staff Auditor

Jon graduated with honors from the University of West Florida in 2013 with a bachelor's degree in Accounting. Prior to joining the firm in 2020, Jon's prior work experience included working for a top 20 accounting firm and being a cost accountant at a tier one automotive supplier. Jon is currently sitting for the CPA exam to become a Certified Public Accountant.

Name	Title/Position	Number of Years of Audit Experience
Philip T. Straley, CPA/PFS	Partner	38
James E. Kraenzlein, CPA/ABV/CFF, CVA	Partner	26
Mary Pingot	Senior Auditor	13
Andrew Lamp, CPA	Staff Auditor	10
Chelsea McConnell, CPA	Senior Auditor	7
Stephanie Suszek	Staff Auditor	7
Stefanie Dzieszinski	Staff Auditor	4
Leah M. Cox, CPA	Staff Auditor	2
Jonathan Jack	Staff Auditor	1
Jessie Graichen	Staff Auditor	2
Savannah Adkins	Staff Auditor	0

American Rescue Plan Act (ARPA) became law March 11, 2021. Established the Coronavirus Local Fiscal Recover Fund (CLFRF).

Department of Treasury 31 CFR Part 35 (Interim Final Rule) effective May 17, 2021.

Key Dates

- January 27, 2020:** Beginning of Coronavirus pandemic.
- March 3, 2021:** Covers eligible costs incurred on or after this date.
- August 31, 2021:** Deadline to submit interim report to U.S. Treasury.
- October 31, 2021:** Deadline to submit 1st quarterly (July-September 2021) Project & Expenditure Report. Each quarter thereafter.
- December 31, 2024:** Last day to expend/obligate funds.
- December 31, 2026:** Funds encumbered by December 31, 2024 must be paid out by this date.

Use of CLFRF funds (Refer to U.S. Treasury handout.)

CLFRF Frequently Asked Questions (July 19, 2021 – 6 updates)

Third parties and Treasury will define scope and provide clarity as time goes on. Additional implementing legislation may be passed.

Assumption is most units of government will prefer to expend funds on core mission of local government. Other uses exist as options.

Mission is to analyze, identify, and categorize eligible use of funds. May seek input from department heads. May require prioritizing and allocation of funds.

Willingness to assist/consult. County must retain financial approval of expenditures. Need for key individual/committee.



Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



For More Information: Please visit www.treasury.gov/SLFRP

For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries: Please email SLFRP@treasury.gov for additional information



Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.