

## KASSON CITY COUNCIL REGULAR MEETING AGENDA

Wednesday, May 26, 2021

6:00 PM

### PLEDGE OF ALLIANCE

#### 6:00 A. COUNCIL

1. Approve agenda - Make additions, deletions or corrections at this time.
2. Consent Agenda - All matters listed under Item 2, Consent Agenda, are considered to be routine and non-controversial by the City Council and will be enacted with one motion. There will not be separate discussion of these items unless a Council Member so requests, in which case the item will be removed from the Consent Agenda and will be considered separately.

a. Minutes from May 12, 2021

b. Claims processed after the May 12, 2021 regular meeting, as audited for payment

c. Evaluations:

i. Barb Thompson      Library Assistant      Move to Grade 2 Step 2 \$16.35ph

d. Committee/Commission/Board Minutes:

i. Planning Commission 5-10-21 – DRAFT

ii. Library Board Minutes – April 13, 2021

e. Resolution Certifying Delinquent Claims to County Auditor

f. Pay Request No 6 – Hydro Klean – CCTV Inspection of Sanitary Sewer - \$5,225.35

g. Conferences:

i. Jan Naig      MCFOA Annual Conference      St. Cloud, MN June 16-18

#### B. VISITORS TO THE COUNCIL

#### C. MAYOR'S REPORT

1. Resolution
2. Appointment of new Councilmember

#### D. PUBLIC FORUM

- May not be used to continue discussion on an agenda item that already had been held as a public hearing.
- This section is limited to 15 minutes and each speaker is limited to 4 minutes.
- Speakers not heard will be first to present at the next Council meeting.
- Speakers will only be recognized once.
- Matters under negotiation, litigation or related to personnel will not be discussed.
- Questions posed by a speaker will generally be responded to in writing.
- Speakers will be required to state their name and their address for the record.

#### E. PUBLIC HEARING

#### F. COMMITTEE REPORT

1. Davidson Variance
2. Kasson Meadows 7<sup>th</sup>
  - i. CAS Kasson Meadows 7<sup>th</sup> Final Plat

- ii. Final Plat Maps
- iii. Resolution Approving Final Plat
- iv. Development Agreement including 22<sup>nd</sup> St NE

3. EDA Letter of Support

**G. OLD BUSINESS**

**H. NEW BUSINESS**

- 1. CAS Roof Maintenance and tentative agreement

**I. ADMINISTRATOR'S REPORT**

- 1. Administrator's Report
  - a. Covid Letter to Staff
  - b. Rules for American Recovery Act Funds
  - c. Canisteo Orderly Annexation Agreement

**J. ENGINEER'S REPORT**

**K. PERSONNEL**

- 1. Recommendation Hire Firefighters
- 2. Resignation of Part Time Police Officer
- 3. Recommendation to Hire Full Time Public Works/Streets/Parks Worker
- 4. Kyle Wheeler Progress report

**L. ATTORNEY**

**M. CORRESPONDENCE**

- 1. CMPas Newsletter
- 2. Cash and Investment Summary
- 3. Income Statement
- 4. Mercury Minimization Plan May 2021
- 5. SE MN Transportation Planning

**N. ADJOURN**



## KASSON CITY COUNCIL REGULAR MEETING MINUTES

Wednesday, May 12, 2021

6:00 PM

Pursuant to due call and notice thereof, a regular City Council meeting was held at City Hall on the 12th day of May, 2021 at 6:00 PM.

**THE FOLLOWING MEMBERS WERE PRESENT:** Burton, Eggler, Ferris, McKern and Zelinske

**THE FOLLOWING MEMBERS WERE ABSENT:** None

**THE FOLLOWING WERE ALSO PRESENT:** City Administrator Tim Ibisch, City Engineer Brandon Theobald, Police Chief Josh Hanson, Fire Chief Joe Fitch, City Attorney Melanie Leth, Finance Director Nancy Zaworski, Dave Dubbels, Karen DuCharme (SEMMCHRA), Jennifer Mittlestadt, Natalie Lushinsky, Tim O'Morro, Nathan Smith, Randy Acker, Kurt Schlotthauer and Patrick Gordon (ZED)

### PLEDGE OF ALLIANCE

#### APPROVE AGENDA

Remove K.1 – Hiring of Fire Fighters

**Motion to Approve the Agenda as amended made by Councilperson Zelinske, second by Councilperson Eggler with All Voting Aye**

#### CONSENT AGENDA

Minutes from April 28, 2021

Claims processed after the April 28, 2021 regular meeting, as audited for payment in the amount of \$278,434.03

Committee/Commission/Board Minutes:

Fire Department Minutes – May / Thank you notes

Evaluations:

Kyle Wheeler	Apprentice Lineworker	not able to move until completion of coursework
Eric Henderson	Lead Lineworker	remove from probation

**Motion to Approve the Consent Agenda made by Councilperson Burton, second by Councilperson Ferris with All Voting Aye.**

#### VISITORS TO THE COUNCIL

**Karen DuCharme – SEMMCHRA – HRA** – There is \$250,000 left to spend and have received 9 applications for rehab projects and 7 flood loans. Ms. DuCharme gave updates on the programs they offer.

#### MAYOR'S REPORT

Mental Health Initiative Update – Mayor McKern gave an update on the Initiative that was started last August and \$25,000 of CARES money was put aside for this. There are on line programs that Fernbrooke put together and we prepaid for services that people could go and use with no questions asked. Thirteen people have taken advantage of this. The Fire Department put together some PSA's. These are on the City's and Fire Department's Facebook pages. The Library has put together backpacks for grief and grieving and for surviving suicides.

## **PUBLIC FORUM**

**2021 Street Maintenance Project - Citizen's request to speak regarding constructing 22<sup>nd</sup> ST NE and trail** – Engineer Theobald gave a short presentation regarding the project and the open houses that were held on Thursday, May 6.

Mayor McKern stated that this has been in the plans since 2000 and should have been done many years ago.

**Randy Acker – 2002 11<sup>th</sup> Ave NE** – He does not believe that this is not thought out for the future and is a bandaid.

**Jennifer Mittlestadt – 1003 22<sup>nd</sup> St. NE** – stated that this is not just about the road but about the bike path that has to cross this street and children are on this path without people and they will not look for cross traffic. She believes in eminent domain and the City should take the land from the school or other landowners to go to the west to highway 57. She agrees with Mr. Acker.

**Natalie Lushinsky – 903 22<sup>nd</sup> St NE** – she stated that there is research she read stating that kids 14 yrs and younger do not have developed depth perception and lowering the bike path will be issues and a stop sign won't work and she believes that connecting to the west would be best.

**Shelly St. John – 511 21<sup>st</sup> Pl NE** – She agrees with a lot of the concerns regarding the trail and that there are no sidewalks in Littles to get to the trail and people walk on the road and now there will be more traffic on the road. At what point do we look at something else and not place a bandaid and go to the west across school property. We are already above the house limit and what is the next step.

**Kurt Schlotthauer – 903 22<sup>nd</sup> St NE** – He purposely bought his house on a deadend street and with opening it he will have safety concerns. He is also concerned with the safety of people on the bike path. He suggested negotiating with the school.

Mayor McKern stated that we have talked to the school and they are not interested in putting a road across their property and eminent domain would take years and the Council is not interested in taking people's land. This bike path crosses roads 17 times.

**Jim Rase – 2102 22<sup>nd</sup> Ave NE** – wanted to know if a pedestrian bridge to go over the road was considered. Mayor McKern stated that would be cost prohibitive.

There were people in attendance that did not voice their opinion.

Councilperson Ferris stated that the school does not want to sell their land. It sets a bad precedent to other people who want to come to Kasson if we start taking land.

Councilperson Burton stated that he believes we do need to force the access to the west and the connection to the north to Spring Creek and this would take years to take place. This is a balancing act for the Council based on development and budget and right now this is the best they can do.

Mayor McKern stated that eminent domain will cost \$2 to \$3 million dollars on that and we are spending the citizen's money. The 22<sup>nd</sup> St. NE access is only one access and we will continue to work on more accesses.

Councilperson Zelinske stated that we can only do so much and we are trying and went to the Township board meeting asking to connect to one of their roads and they denied it.

Mayor McKern stated that this has been discussed for quite a while and appreciates the comments. This is an approved project in the budget from last fall but the plans are not finalized.

Councilperson Egglar stated that he pushed for safe routes to school and safety but when he had smaller kids he was always with them on the trail and parents need to work with it.

Councilperson Ferris stated that all agendas and packets are on the City's website on the Friday before the meetings and she puts the agenda on her facebook page before every meeting. Ms. Mittlestadt stated the citizens in attendance believe that they don't have time to read agendas and should be notified personally for

anything happening in their neighborhood. The Council encouraged the citizens to be proactive and advocate on their own behalf.

#### **PUBLIC HEARING**

#### **COMMITTEE REPORT**

#### **OLD BUSINESS**

ZED Development Agreement - Draft

Final Approved Plans and Maintenance Agreement – City Attorney Leth stated that there was one change adding indemnity language that the City indemnify the developer. She objects to that since the City is not doing any of the construction. **Motion to Approve the Development Agreement and Maintenance Declaration made by Councilperson Burton, second by Councilperson Ferris with All Voting Aye.**

#### **NEW BUSINESS**

Food Truck Policy – The Council discussed the policy and what they feel the fee should be. This will be brought to a future meeting.

#### **ADMINISTRATOR’S REPORT**

Administrator’s Report – Administrator Ibisch highlighted parts of his report.

#### **ENGINEER’S REPORT**

Fair Grounds Water Tower Replacement – Engineer Theobald stated that the current water tower needs replacing due to age and increasing water demand. This will be paid for from the water fund.

Request for Council Action

Engineering Agreement – **Motion to Approve the Engineering Agreement made by Mayor McKern, second by Councilperson Egger with All Voting Aye.**

#### **PERSONNEL**

#### **ATTORNEY**

#### **CORRESPONDENCE**

Correspondence was reviewed

**ADJOURN 7:49PM Motion to Adjourn made by Councilperson Burton, second by Councilperson Zelinske with all Voting Aye to Adjourn.**

**ATTEST:**

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Linda Rappe, City Clerk

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Chris McKern, Mayor

## SIGNATURE PAGE

THE ATTACHED LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED  
FOR PAYMENT.

THIS INCLUDES WARRANT NUMBERS:

#1 - #3

GRAND TOTAL SUBMITTED FOR PAYMENT \$ 369 771.37

DATE APPROVED: 05-26-2021

#1	\$19,622.21
#2	57,602.98
#3	<u>292 546.18</u>
	\$ 369,771.37

05/20/21  
07:20:19

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/20/21

Page: 1 of 7  
Report ID: AP100V

11

For Pay Date = 05/20/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36601		4708 BOUND TREE MEDICAL LLC	1,059.98					
	84039382	04/28/21 2 BATTERY-LIFEPAK 1000	1,059.98*			101 220 4220	210	1010
		Total for Vendor:	1,059.98					
36543		4151 CAPITAL ONE TRADE CREDIT	319.84					
	71015797	04/28/21 SMALL TOOLS-PARKS	319.84			101 522 4522	240	1010
		Total for Vendor:	319.84					
36544		5098 CARDMEMBER SERVICE	278.81					
	05/03/21	LIBRARY SUPPLIES	70.97			211 550 4550	210	1010
	05/03/21	BOOKS	126.90			211 550 4550	218	1010
	05/03/21	DVD's	80.94			211 550 4550	219	1010
36545		5098 CARDMEMBER SERVICE	2,621.28					
	04/02/21	LIFEFORM BUDDY PACKS	987.86*			101 514 4514	240	1010
	04/08/21	MICROSOFT SURFACE PRO	796.72			101 514 4514	210	1010
	04/08/21	ACCESSORIES-SURFACE PRO	75.14			101 514 4514	210	1010
	04/09/21	PARTS FOR K.A.C.	307.97			101 514 4514	220	1010
	04/20/21	RAPPE-MCFOA ANN'L CONF	275.00			101 140 4140	333	1010
	04/20/21	KNOB POINTER	9.00			101 522 4522	220	1010
	05/03/21	9 YR-DOMAIN NAMES-NETWORK SOLU	51.74			101 140 4140	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	5.74			101 510 4510	430	1010
	05/03/21	9 YR-DOMAIN NAMES-NETWORK SOLU	28.75*			101 111 4111	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	5.74			101 310 4310	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	2.87			601 944 4944	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	2.87*			602 949 4949	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	5.74			604 959 4959	430	1010
	05/03/21	9 YR-DOMAIN NAMES-NETWORK SOLU	22.98			604 959 4959	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	5.74			606 516 4516	430	1010
	05/03/21	9 YR-DOMAIN NAME-NETWORK SOLUT	5.74			609 976 4976	430	1010
	04/15/21	SUNBURSTS/SALE TAGS-L.S.	31.68			609 976 4976	210	1010
36546		5098 CARDMEMBER SERVICE	664.92					
	03/31/21	FURNACE FILTER	31.35			101 210 4210	210	1010
	03/31/21	MED/TAC PREM IFAK KIT	98.95			101 210 4210	210	1010
	03/31/21	FURNACE FILTER	31.02			101 210 4210	210	1010

05/20/21  
07:20:19

CITY OF KASSON  
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For Pay Date: 05/20/21

Page: 2 of 7  
Report ID: AP100V

For Pay Date = 05/20/21

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Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	04/09/21	SAFARILAND HLSTR MOUNT	10.58			101 210 4210	240	1010
	04/09/21	HOLSTER W) HDWE	14.99			101 210 4210	240	1010
	04/12/21	6' HDMI CABLE	14.04			101 210 4210	210	1010
	04/19/21	AED PADS-K.A.C.	166.25			101 514 4514	210	1010
	04/20/21	HANSON-PANT	49.49			101 210 4210	214	1010
	04/26/21	STAMPS.COM	17.99			101 210 4210	210	1010
	04/15/21	BATTERIES	21.28			101 210 4210	210	1010
	04/26/21	HOLSTER W) HDWE	29.98			101 210 4210	240	1010
	04/27/21	THERMO PRINTER PAPER	59.00			101 210 4210	210	1010
	04/29/21	USPCA-REGION 12	120.00			101 210 4210	333	1010
36602		5098 CARDMEMBER SERVICE	225.48					
	04/08/21	WEIGHTED VEST	225.48			101 220 4220	330	1010
		Total for Vendor:	3,790.49					
36547		6290 KNXR-FM	560.00					
	4068 05/03/21	K.A.C. RADIO ADS	560.00*			101 514 4514	343	1010
		Total for Vendor:	560.00					
36548		2689 LOCATORS & SUPPLIES INC	110.96					
	0291847IN 04/30/21	RED MARKING PAINT	110.96			604 957 4957	220	1010
	0291847IN 04/30/21	SALES TAX	7.63			604 957 4957	220	1010
	0291847IN 04/30/21	SALES TAX	-7.63			604 2025		1010
	0291847IN 04/30/21	D C TRANSIT TAX	0.55			604 957 4957	220	1010
	0291847IN 04/30/21	D C TRANSIT TAX	-0.55			604 2026		1010
		Total for Vendor:	110.96					
36603		299 MISSISSIPPI WELDERS SUPPLY CO	135.00					
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.28			101 310 4310	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.28			101 312 4312	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.28			101 517 4517	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.29			601 943 4943	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.29			602 948 4948	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.29			604 957 4957	210	1010
	1326077 05/01/21	OXY/ACETY LEASE TO 6/27/22	19.29			605 963 4963	210	1010
	1326077 05/01/21	SALES TAX	1.33			604 957 4957	210	1010
	1326077 05/01/21	SALES TAX	-1.33			604 2025		1010

05/20/21  
07:20:19

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/20/21

Page: 3 of 7  
Report ID: AP100V

For Pay Date = 05/20/21

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Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	1326077	05/01/21 D C TRANSIT TAX	0.10			604 957 4957	210	1010
	1326077	05/01/21 D C TRANSIT TAX	-0.10			604 2026		1010
		Total for Vendor:	135.00					
36637		144 MN POLLUTION CONTROL AGENCY	200.00					
	05/19/21	VOSEN-TYPE IV REFRESHER	100.00			602 947 4947	333	1010
	05/19/21	BRADFORD-TYPE IV REFRESHER	100.00			602 947 4947	333	1010
		Total for Vendor:	200.00					
36549		5881 NAPA AUTO PARTS	271.67					
	404826	04/06/21 OIL FILTER/SYNTH OIL	62.88			101 210 4210	220	1010
	404983	04/07/21 DIGITAL CALIPER	31.99			101 522 4522	220	1010
	404993	04/07/21 AC REFRIGERANT/BLK DMD RF	51.68			604 957 4957	220	1010
	404993	04/07/21 SALES TAX	3.55			604 957 4957	220	1010
	404993	04/07/21 SALES TAX	-3.55			604 2025		1010
	404993	04/07/21 D C TRANSIT TAX	0.26			604 957 4957	220	1010
	404993	04/07/21 D C TRANSIT TAX	-0.26			604 2026		1010
	405000	04/07/21 TURN SIGNAL LIGHT	3.55			604 957 4957	220	1010
	405000	04/07/21 SALES TAX	0.24			604 957 4957	220	1010
	405000	04/07/21 SALES TAX	-0.24			604 2025		1010
	405000	04/07/21 D C TRANSIT TAX	0.02			604 957 4957	220	1010
	405000	04/07/21 D C TRANSIT TAX	-0.02			604 2026		1010
	405063	04/08/21 CONV MOTOR OIL	36.48			101 522 4522	220	1010
	405594	04/14/21 OIL FILTER/SYNTH OIL	38.81			602 948 4948	220	1010
	405736	04/15/21 LAMP-BOXED CAPSULES	14.84			101 210 4210	220	1010
	405750	04/16/21 OIL FILTER/SYNTH OIL	31.44			602 948 4948	220	1010
		Total for Vendor:	271.67					
36614		6081 NESCO LLC	5,100.00					
	TU01033IN	04/26/21 REMOVE HYDR SERV & RE INSTA	1,700.00			601 943 4943	400	1010
	TU01033IN	04/26/21 REMOVE HYDR SERV & RE INSTA	1,700.00			602 947 4947	400	1010
	TU01033IN	04/26/21 REMOVE HYDR SERV & RE INSTA	1,700.00			602 948 4948	400	1010
		Total for Vendor:	5,100.00					

05/20/21  
07:20:19

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/20/21

Page: 4 of 7  
Report ID: AP100V

For Pay Date = 05/20/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36638		4087 NSF - MSF	130.00					
	05/19/21	'21 MENS S/B-8 TEAMS	130.00			101 517 4517	210	1010
		Total for Vendor:	130.00					
36550		4919 PEOPLE'S ENERGY COOPERATIVE	70.07					
	2289800 05/05/21	ELEC SERV-CEMETERY 4/1-5/1	30.32			610 984 4984	380	1010
	2289800 05/05/21	ELEC SERV-STR LT-LETH SUBD 4/	39.75			101 316 4316	380	1010
		Total for Vendor:	70.07					
36604		2686 PRAXAIR DISTRIBUTION INC	200.90					
	63414865 04/30/21	1 YR ACETYL TO 5/1/22	100.45			101 310 4310	220	1010
	63414865 04/30/21	1 YR ACETYL TO 5/1/22	100.45			101 522 4522	220	1010
		Total for Vendor:	200.90					
36551		3850 SOUTHERN GLAZER'S OF MN	2,930.56					
	5068826 04/29/21	LIQUOR	2,905.76			609 975 4975	251	1010
	5068826 04/29/21	FREIGHT	24.80			609 975 4975	335	1010
		Total for Vendor:	2,930.56					
36615		5104 STAR ENERGY SERVICES	374.00					
	17753 04/30/21	SOLAR ENG.-ROBINSON SERV	374.00			604 959 4959	429	1010
		Total for Vendor:	374.00					
36605		153 STUSSY CONSTRUCTION INC	1,542.22					
	46208 04/30/21	CL 5 ROAD ROCK	1,542.22			601 943 4943	220	1010
		Total for Vendor:	1,542.22					
36616		71 UTILITY CONSULTANTS INC	2,165.00					
	108638 04/27/21	CBOD/TSS/FECAL COLIF/TOT PHOSP	1,806.00			602 947 4947	440	1010
	108638 04/27/21	TOTAL COLIFORM	105.00			601 943 4943	440	1010
	108638 04/27/21	MANTORVILLE TESTING	254.00			602 947 4947	440	1010
		Total for Vendor:	2,165.00					



05/20/21  
07:20:19

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/20/21

Page: 5 of 7  
Report ID: AP100V

For Pay Date = 05/20/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36552		388 WESCO RECEIVABLES CORP	645.28					
	698113	04/27/21 PEDESTAL CONN/TFMR CONN	645.28			604 957 4957	220	1010
		Total for Vendor:	645.28					
36553		50 XCEL ENERGY	16.24					
	730290935	05/03/21 UTIL SERV-STR LT 4/3-5/2	16.24			101 316 4316	380	1010
		Total for Vendor:	16.24					
		# of Claims 21	Total:	19,622.21				

05/20/21  
07:20:24

CITY OF KASSON  
Fund Summary for Claims  
For the Accounting Period: 5/21

Page: 6 of 7  
Report ID: AP110

Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$5,964.80
211 Library Fund	
1010 CASH-OPERATING	\$278.81
601 Water Fund	
1010 CASH-OPERATING	\$3,369.38
602 Sewer Fund	
1010 CASH-OPERATING	\$5,752.41
604 Electric Fund	
1010 CASH-OPERATING	\$1,233.48
605 Storm Water	
1010 CASH-OPERATING	\$19.29
606 ICE ARENA	
1010 CASH-OPERATING	\$5.74
609 Liquor Fund	
1010 CASH-OPERATING	\$2,967.98
610 Maple Grove Cemetery	
1010 CASH-OPERATING	\$30.32
Total:	\$19,622.21

05/20/21  
07:20:24

CITY OF KASSON  
Claim Approval Signature Page  
For the Accounting Period: 5 / 21

Page: 7 of 7  
Report ID: AP100A

CITY OF KASSON  
401 5TH STREET SE  
KASSON, MN 55944-2204

The claim batch dated                      are approved for payment.

APPROVED                      Council Member  
                     Council Member

#2

05/20/21  
09:38:04

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/21/21

Page: 1 of 5  
Report ID: AP100V

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Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36623	E	34 CITY OF KASSON	27,221.23					
	04/26/21	CITY UTILITIES-C H	307.46			101 194 4194	380	1010
	04/26/21	CITY UTILITIES-C H BI-DIRECT	11.21			101 194 4194	380	1010
	04/26/21	CITY UTILITIES-P D	334.76			101 210 4210	380	1010
	04/26/21	CITY UTILITIES-STR LTS (LED)	421.24			101 316 4316	380	1010
	04/26/21	CITY UTILITIES-STREET LTS	27.04			101 310 4310	380	1010
	04/26/21	CITY UTILITIES-F D	226.54			101 220 4220	380	1010
	04/26/21	CITY UTILITIES-MAIN STR LTS	709.80			101 316 4316	380	1010
	04/26/21	CITY UTILITIES-MANT AV STR LTS	226.61			101 316 4316	380	1010
	04/26/21	CITY UTILITIES-STREET LTS	3,960.98			101 316 4316	380	1010
	04/26/21	CITY UTILITIES-K.A.C.-HIGH FLO	83.62			101 514 4514	380	1010
	04/26/21	CITY UTILITIES-K.A.C.-LOW FLOW	53.12			101 514 4514	380	1010
	04/26/21	CITY UTILITIES-K.A.C.-BI-DIREC	194.25			101 514 4514	380	1010
	04/26/21	CITY UTILITIES-N2 BALL PARK LT	495.45			101 517 4517	380	1010
	04/26/21	CITY UTILITIES-NO. PARK #3	577.73			101 517 4517	380	1010
	04/26/21	CITY UTILITIES-NO. PARK MAINT	156.69			101 522 4522	380	1010
	04/26/21	CITY UTILITIES-E SHELTER-VETS	31.72			101 522 4522	380	1010
	04/26/21	CITY UTILITIES-NO. PARK CONC S	33.20			101 517 4517	380	1010
	04/26/21	CITY UTILITIES-VETS PARK ATHL	23.11			101 517 4517	380	1010
	04/26/21	CITY UTILITIES-NE YOUTH BALL F	23.11			101 517 4517	380	1010
	04/26/21	CITY UTILITIES-W SHELTER-VETS	27.08			101 522 4522	380	1010
	04/26/21	CITY UTILITIES-NO. PARK #1	65.71			101 310 4310	380	1010
	04/26/21	CITY UTILITIES-WELL #4	1,678.65			601 941 4941	380	1010
	04/26/21	CITY UTILITIES-WELL #2	1,809.78			601 941 4941	380	1010
	04/26/21	CITY UTILITIES-WELL #3	83.16			601 941 4941	380	1010
	04/26/21	CITY UTILITIES-WELL #5	1,580.19			601 941 4941	380	1010
	04/26/21	CITY UTILITIES-8 AV WATER TOWE	347.04			601 941 4941	380	1010
	04/26/21	CITY UTILITIES-LITTLE'S LIFT S	79.59			602 948 4948	380	1010
	04/26/21	CITY UTILITIES-LIQUOR STORE	765.36			609 979 4979	380	1010
	04/26/21	CITY UTILITIES-NO. PARK #4	25.61			101 522 4522	380	1010
	04/26/21	CITY UTILITIES-WWTP-WA/SE	83.62			602 947 4947	380	1010
	04/26/21	CITY UTILITIES-WWTP-ELECTRIC	5,729.08			602 947 4947	381	1010
	04/26/21	CITY UTILITIES-WWTP-BASEMENT	69.24			602 947 4947	380	1010
	04/26/21	CITY UTILITIES-WWTP-GARAGE	22.80			602 947 4947	380	1010
	04/26/21	CITY UTILITIES-NO. PARK #2	27.31			101 522 4522	380	1010
	04/26/21	CITY UTILITIES-OLD WATER TOWER	57.90			101 526 4526	430	1010

05/20/21  
09:38:04

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/21/21

Page: 2 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
		04/26/21 CITY UTILITIES-D C AMBULANCE S	143.06			101 417 4417	380	1010
		04/26/21 CITY UTILITIES-P.W.B. 1/2	454.99			101 310 4310	380	1010
		04/26/21 CITY UTILITIES-P.W.B. 1/2	454.98			604 957 4957	380	1010
		04/26/21 SALES TAX-P.W.B.-ELECTRIC	25.47			604 957 4957	380	1010
		04/26/21 SALES TAX-P.W.B.-ELECTRIC	-25.47			604 2025		1010
		04/26/21 D C TRANSIT TAX-P.W.B.-ELECTRI	1.85			604 957 4957	380	1010
		04/26/21 D C TRANSIT TAX-P.W.B.-ELECTRI	-1.85			604 2026		1010
		04/26/21 SALES TAX-P.W.B-WATER	1.51			604 957 4957	380	1010
		04/26/21 SALES TAX-P.W.B-WATER	-1.51			604 2025		1010
		04/26/21 D C TRANSIT TAX-P.W.B-WATER	0.11			604 957 4957	380	1010
		04/26/21 D C TRANSIT TAX-P.W.B-WATER	-0.11			604 2026		1010
		04/26/21 CITY UTILITIES-SOLAR BILLBOARD	14.92			604 956 4956	381	1010
		04/26/21 CITY UTILITIES-D C ICE ARENA	4,469.70			606 516 4516	380	1010
		04/26/21 CITY UTILITIES-ELECTRONIC SIGN	31.38*			101 111 4111	430	1010
		04/26/21 CITY UTILITIES-PARK & RIDE LOT	66.62			101 316 4316	380	1010
		04/26/21 CITY UTILITIES-16 ST-E OF BRID	133.33			101 316 4316	380	1010
		04/26/21 CITY UTILITIES-16 ST-CENTER	178.49			101 316 4316	380	1010
		04/26/21 CITY UTILITIES-16 ST-W OF BRID	97.74			101 316 4316	380	1010
		04/26/21 CITY UTILITIES-LIBRARY	766.21			211 550 4550	380	1010
		04/26/21 CITY UTILITIES-LIONS PARK SHEL	34.56			101 522 4522	380	1010
		04/26/21 CITY UTILITIES-MEADOWLAND PARK	25.49			101 522 4522	380	1010
		Total for Vendor:	27,221.23					
36624	E	5691 FURTHER-FSA	19.26					
		39821509 05/11/21 FLEX REIMBURSEMENT	19.26			101 2177		1010
36634	E	5691 FURTHER-FSA	98.49					
		39830873 05/18/21 FLEX REIMBURSEMENT	12.06			101 2177		1010
		39830873 05/18/21 FLEX REIMBURSEMENT	86.43			602 2177		1010
		Total for Vendor:	117.75					
36626	E	108 MN DEPARTMENT OF REVENUE	17,548.00					
		05/12/21 APRIL-UTILITIES SALES TAX	342.00			601 2025		1010
		05/12/21 APRIL-UTILITIES SALES TAX	15,871.00			604 2025		1010
		05/12/21 APRIL-SALES TAX PAYABLE	53.00			101 2025		1010
		05/12/21 APRIL-SALES TAX PAYABLE	8.00			211 2025		1010
		05/12/21 APRIL-SALES TAX PAYABLE	29.00			604 2025		1010

05/20/21  
09:38:04

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/21/21

Page: 3 of 5  
Report ID: AP100V

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	05/12/21	APRIL-USE TAX PAYABLE	3.00			101 2025		1010
	05/12/21	APRIL-USE TAX PAYABLE	63.00			604 2025		1010
	05/12/21	APRIL-USE TAX PAYABLE	44.00			609 2025		1010
	05/12/21	APRIL-UTILITIES-D C TRANS TX	23.00			601 2026		1010
	05/12/21	APRIL-UTILITIES-D C TRANS TX	1,097.00			604 2026		1010
	05/12/21	APRIL-D C TRANS TX PAYABLE	4.00			101 2026		1010
	05/12/21	APRIL-D C TRANS TX PAYABLE	1.00			211 2026		1010
	05/12/21	APRIL-D C TRANS TX PAYABLE	2.00			604 2026		1010
	05/12/21	APRIL-D C TRANS USE TX PAYABLE	5.00			604 2026		1010
	05/12/21	APRIL-D C TRANS USE TX PAYABLE	3.00			609 2026		1010
		Total for Vendor:	17,548.00					
36627	E	973 MN DEPT OF REVENUE	12,616.00					
Jan. L.S. daily reports had one day entered twice. Adjustment is to reverse the duplicate charge.								
	05/12/21	APRIL-L.S. SALES TAX	12,192.00			609 2025		1010
	05/12/21	APRIL-L.S. D.C. TRANS. TAX	653.00			609 2026		1010
	05/12/21	JAN.-L.S. SALES TAX ADJUSTMENT	-217.00			609 2025		1010
	05/12/21	JAN.-L.S. D. C. TRANS. TAX ADJ	-12.00			609 2026		1010
		Total for Vendor:	12,616.00					
36640		144 MN POLLUTION CONTROL AGENCY	100.00					
	05/20/21	ULVE-TYPE IV REFRESHER	100.00			602 947 4947	333	1010
		Total for Vendor:	100.00					
		# of Claims	6	Total:	57,602.98			
		Total Electronic Claims			57,502.98			
		Total Non-Electronic Claims			100.00			

05/20/21  
09:38:06

CITY OF KASSON  
Fund Summary for Claims  
For the Accounting Period: 5/21

Page: 4 of 5  
Report ID: AP110

Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$9,358.23
211 Library Fund	
1010 CASH-OPERATING	\$775.21
601 Water Fund	
1010 CASH-OPERATING	\$5,863.82
602 Sewer Fund	
1010 CASH-OPERATING	\$6,170.76
604 Electric Fund	
1010 CASH-OPERATING	\$17,536.90
606 ICE ARENA	
1010 CASH-OPERATING	\$4,469.70
609 Liquor Fund	
1010 CASH-OPERATING	\$13,428.36
Total:	\$57,602.98

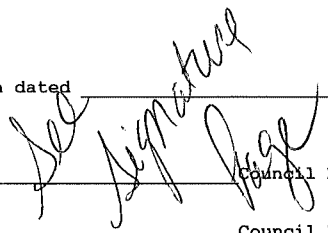
05/20/21  
09:38:06

CITY OF KASSON  
Claim Approval Signature Page  
For the Accounting Period: 5 / 21

Page: 5 of 5  
Report ID: AP100A

CITY OF KASSON  
401 5TH STREET SE  
KASSON, MN 55944-2204

The claim batch dated \_\_\_\_\_ are approved for payment.

APPROVED  \_\_\_\_\_  
Council Member  
\_\_\_\_\_ Council Member



#3

05/20/21

16:23:42

CITY OF KASSON  
 Claim Approval List  
 For the Accounting Period: 5/21  
 For Pay Date: 05/27/21

Page: 1 of 15  
 Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36649		2529 A H HERMEL COMPANY	434.10					
	875152	05/13/21 POP FOR RESALE	307.00			609 975 4975	254	1010
	875152	05/13/21 BAGS	120.15			609 975 4975	210	1010
	875152	05/13/21 SALES TAX	8.26			609 975 4975	210	1010
	875152	05/13/21 SALES TAX	-8.26			609 2025		1010
	875152	05/13/21 D C TRANSIT TAX	0.60			609 975 4975	210	1010
	875152	05/13/21 D C TRANSIT TAX	-0.60			609 2026		1010
	875152	05/13/21 FREIGHT	6.95			609 975 4975	335	1010
		Total for Vendor:	434.10					
36555		5446 ANCOM TECHNICAL CENTER INC	976.00					
	101748	05/05/21 SIREN BATTERY/REPAIRS	976.00			101 417 4417	400	1010
36594		5446 ANCOM TECHNICAL CENTER INC	822.25					
	101718	05/05/21 PAGER REPAIR	20.00			101 220 4220	400	1010
	101719	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101720	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101721	05/05/21 PAGER REPAIR	50.00			101 220 4220	400	1010
	101722	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101723	05/05/21 PAGER REPAIR	25.00			101 220 4220	400	1010
	101724	05/05/21 PAGER REPAIR/BATTERY/BELT CLIP	85.25			101 220 4220	400	1010
	101725	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101726	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101727	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101728	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101729	05/05/21 PAGER REPAIR/BATTERY	71.50			101 220 4220	400	1010
	101730	05/05/21 PAGER REPAIR	20.00			101 220 4220	400	1010
	101731	05/05/21 PAGER REPAIR	50.00			101 220 4220	400	1010
		Total for Vendor:	1,798.25					
36609		2373 ARROW BUILDING CENTER	83.12					
	5331443	04/19/21 2x4 CONSTR STUD	37.52			602 947 4947	220	1010
	5345444	04/30/21 4x4 TREATED	45.60			602 947 4947	220	1010
		Total for Vendor:	83.12					

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 2 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36556		203 BAKER & TAYLOR INC	81.17					
	2035949491	05/03/21 BOOKS	81.17			211 550 4550	218	1010
		Total for Vendor:	81.17					
36607		5274 BECKLEY'S OFFICE PRODUCTS	66.50					
	71924	05/17/21 MOBILE SHREDDING-P D	66.50			101 210 4210	430	1010
		Total for Vendor:	66.50					
36650		1012 BELLBOY CORPORATION	264.78					
	89309800	05/13/21 LIQUOR	184.56			609 975 4975	251	1010
	89309800	05/13/21 FREIGHT	4.00			609 975 4975	335	1010
	103221500	05/13/21 OLIVES/ASPARAGUS	57.85*			609 975 4975	259	1010
	103221500	05/13/21 DUM DUMS	16.03			609 976 4976	343	1010
	103221500	05/13/21 D C TRANSIT TAX	0.08			609 976 4976	343	1010
	103221500	05/13/21 D C TRANSIT TAX	-0.08			609 2026		1010
	103221500	05/13/21 FREIGHT	2.34			609 975 4975	335	1010
		Total for Vendor:	264.78					
36557		6291 BOARDMAN & CLARK LLP	561.00					
	236245	05/11/21 LEGAL-ELECT SERV TERRITORY	561.00			604 959 4959	304	1010
		Total for Vendor:	561.00					
36558		5239 BREAKTHRU BEVERAGE MN WINE &	3,736.03					
	339366458	05/05/21 LIQUOR	2,435.33			609 975 4975	251	1010
	339366458	05/05/21 WINE	96.00			609 975 4975	251	1010
	339366458	05/05/21 FREIGHT	24.75			609 975 4975	335	1010
	339453379	05/13/21 LIQUOR	1,043.45			609 975 4975	251	1010
	339453379	05/13/21 WINE	120.00			609 975 4975	251	1010
	339453379	05/13/21 FREIGHT	16.50			609 975 4975	335	1010
		Total for Vendor:	3,736.03					
36559		2410 CENTRAL MN MUNICIPAL POWER AGE	139,374.21					
	7046	04/30/21 CMPA DUES-APRIL	1,500.00			604 959 4959	334	1010
	7046	04/30/21 FEES FOR SERVICES	1,232.68			604 959 4959	430	1010
	7046	04/30/21 PURCH'D POWER	111,049.66			604 956 4956	381	1010
	7046	04/30/21 PURCH'D POWER-TRANSMISSION	23,221.01			604 956 4956	381	1010

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 3 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	7046	04/30/21 CAPACITY PURCHASED-APRIL	984.90			604 956 4956	381	1010
	7046	04/30/21 CIP MONTHLY ASSMNT-APRIL	1,385.96			604 959 4959	429	1010
		Total for Vendor:	139,374.21					
36651		6270 CHAOTIC GOOD BREWING	222.00					
	2129	05/13/21 BEER	222.00			609 975 4975	252	1010
		Total for Vendor:	222.00					
36560		5667 CINTAS	158.78					
	4083690437	05/07/21 MATS-L.S.	79.39*			609 979 4979	410	1010
	4084353573	05/14/21 MATS-L.S.	79.39*			609 979 4979	410	1010
		Total for Vendor:	158.78					
36561		34 CITY OF KASSON	12,500.00					
	03/29/21	R-22 REPLACEMENT YR 2 OF 10	12,500.00			101 527 4527	430	1010
		Total for Vendor:	12,500.00					
36610		668 CONTINENTAL RESEARCH CORP	212.34					
	26204	05/14/21 FOAM UP BERRY HAND SOAP	212.34			602 947 4947	210	1010
		Total for Vendor:	212.34					
36562		2212 DAVE SYVERSON FREIGHTLINER	686.61					
	158077	05/06/21 REPAIR '01 FREIGHTLINER	686.61			604 957 4957	400	1010
		Total for Vendor:	686.61					
36595		69 DODGE COUNTY ENVIRONMENTAL	258.00					
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.14			101 310 4310	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.14			101 312 4312	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.14			101 517 4517	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.14			601 943 4943	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.14*			602 947 4947	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.15			604 957 4957	430	1010
	00125088	04/13/21 WASTE DISPOSAL-SHOP-FLUOR LA	11.15			605 963 4963	430	1010
	00124833	04/09/21 WASTE DISPOSAL-STR SWEEPINGS	180.00			101 323 4323	430	1010
		Total for Vendor:	258.00					

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 4 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36592		5156 DODGE COUNTY INDEPENDENT/DODGE	51.48					
	11970 05/13/21	P.C. HEARING NOTICE	51.48			101 191 4191	351	1010
		Total for Vendor:	51.48					
36632		6040 DOHENY'S COMMERICAL	1,370.88					
	246985 05/06/21	12 DECK CHAIRS-K.A.C.	1,370.88			101 514 4514	220	1010
		Total for Vendor:	1,370.88					
36611		5289 FIRST SYSTEMS TECHNOLOGY INC	1,400.00					
	21100 05/10/21	VERIFICATION OF 4 FLOW MTRS	1,400.00			602 947 4947	440	1010
		Total for Vendor:	1,400.00					
36645		5678 FURTHER	98.55					
	15691988 05/05/21	MAY-PARTICIPANT FEES	98.55*			101 140 4140	440	1010
		Total for Vendor:	98.55					
36631		56 GILLETTE PEPSI ROCHESTER	960.00					
	9377791 05/18/21	K.A.C. CONCESSIONS	960.00			101 514 4514	262	1010
		Total for Vendor:	960.00					
36642		324 GOPHER	233.98					
	IN43718 05/19/21	WHISTLES/LANYARDS	233.98			101 514 4514	220	1010
		Total for Vendor:	233.98					
36643		77 HAWKINS INC	3,362.78					
	4937814 05/13/21	CHLORINE/CYANURIC ACID/SODIUM	3,362.78			101 514 4514	210	1010
		Total for Vendor:	3,362.78					
36563		5036 HOHENSTEINS INC	147.00					
	407361 05/06/21	BEER	147.00			609 975 4975	252	1010
		Total for Vendor:	147.00					
36618		2462 HOISINGTON KOEGLER GROUP INC	6,037.50					
	019-041-18 05/16/21	PLANNING SERVICES-APRIL	3,247.50*			101 191 4191	440	1010
	019-041-18 05/16/21	ZONING & SUBD CODE AMENDME	855.00*			101 191 4191	440	1010
	019-041-18 05/16/21	PLANNING-KASS MEADOWS 7TH	435.00			101 1151		1010

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 5 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	019-041-18	05/16/21 PLANNING-WITZEL SUBDIV	787.50			101 1151		1010
	019-041-18	05/16/21 PLANNING-ZED SCHOOL	712.50			101 1151		1010
		Total for Vendor:	6,037.50					
36646		6099 IBISCH, TIMOTHY	152.32					
	05/20/21	MILES-CMPAS MTG @ WINDOM	152.32*			604 959 4959	332	1010
		Total for Vendor:	152.32					
36564		2198 ITRON INC	1,263.40					
	590080	05/12/21 JUN-AUG MAINT & SUPPORT	252.68			601 944 4944	370	1010
	590080	05/12/21 JUN-AUG MAINT & SUPPORT	252.68			602 949 4949	370	1010
	590080	05/12/21 JUN-AUG MAINT & SUPPORT	505.36			604 959 4959	370	1010
	590080	05/12/21 JUN-AUG MAINT & SUPPORT	252.68			605 963 4963	370	1010
	590080	05/12/21 SALES TAX	4.80			604 959 4959	370	1010
	590080	05/12/21 SALES TAX	-4.80			604 2025		1010
	590080	05/12/21 D C TRANSIT TAX	0.35			604 959 4959	370	1010
	590080	05/12/21 D C TRANSIT TAX	-0.35			604 2026		1010
		Total for Vendor:	1,263.40					
36565		2490 J & M DISPLAYS INC	6,600.00					
	05/06/21	'21 FESTIVAL FIREWORKS DISPLAY	6,600.00*			877 100 4000	430	1010
		Total for Vendor:	6,600.00					
36566		25 JOHNSON BROTHERS LIQUOR CO	6,873.38					
	1798639	05/11/21 LIQUOR	3,207.41			609 975 4975	251	1010
	1798640	05/11/21 WINE	736.95			609 975 4975	251	1010
	1798641	05/11/21 MIXES	65.00			609 975 4975	254	1010
	1803589	05/18/21 LIQUOR	1,890.52			609 975 4975	251	1010
	1803590	05/18/21 WINE	973.50			609 975 4975	251	1010
		Total for Vendor:	6,873.38					
36567		35 KASSON HARDWARE HANK	615.18					
	04/30/21	R&M SUPPLIES-STREETS	86.66			101 310 4310	220	1010
	04/30/21	SMALL TOOLS-STREETS	4.99			101 310 4310	240	1010
	04/30/21	R&M SUPPLIES-PARKS	20.98			101 522 4522	220	1010
	04/30/21	R&M SUPPLIES-F D	75.95			101 220 4220	220	1010
	04/30/21	R&M SUPPLIES-K.A.C.	27.79			101 514 4514	220	1010

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 6 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	04/30/21	R&M SUPPLIES-ELECTRIC	57.46			604 957 4957	220	1010
	04/30/21	SALES TAX	3.95			604 957 4957	220	1010
	04/30/21	SALES TAX	-3.95			604 2025		1010
	04/30/21	D C TRANSIT TAX	0.29			604 957 4957	220	1010
	04/30/21	D C TRANSIT TAX	-0.29			604 2026		1010
	04/30/21	R&M SUPPLIES-WATER	35.92			601 943 4943	220	1010
	04/30/21	OPER SUPPLIES-FORESTRY	9.98			101 524 4524	210	1010
	04/30/21	OPER SUPPLIES-WATER	49.47			601 943 4943	210	1010
	04/30/21	R&M SUPPLIES-WWTP OPERATIONS	7.37			602 947 4947	220	1010
	04/30/21	OPER SUPPLIES-WWTP OPERATIONS	117.94			602 947 4947	210	1010
	04/30/21	R&M SUPPLIES-STORM WATER	85.62			605 963 4963	220	1010
	04/30/21	R&M SUPPLIES-ARENA	35.05			606 516 4516	220	1010
		Total for Vendor:	615.18					
36568		F104 L & L STREET RODS & SPORT TRUCKS	247.00					
	3195 05/10/21	S&H-PARTS FOR 21-1	247.00			101 680 4210	550	1010
		Total for Vendor:	247.00					
36619		2689 LOCATORS & SUPPLIES INC	419.04					
	0292086-IN 05/11/21	RED MARKING FLAGS	363.24			604 957 4957	220	1010
	0292086-IN 05/11/21	SALES TAX	24.97			604 957 4957	220	1010
	0292086-IN 05/11/21	SALES TAX	-24.97			604 2025		1010
	0292086-IN 05/11/21	D C TRANSIT TAX	1.82			604 957 4957	220	1010
	0292086-IN 05/11/21	D C TRANSIT TAX	-1.82			604 2026		1010
	0292112-IN 05/11/21	MARKING WAND	55.80			604 957 4957	220	1010
	0292112-IN 05/11/21	SALES TAX	3.84			604 957 4957	220	1010
	0292112-IN 05/11/21	SALES TAX	-3.84			604 2025		1010
	0292112-IN 05/11/21	D C TRANSIT TAX	0.28			604 957 4957	220	1010
	0292112-IN 05/11/21	D C TRANSIT TAX	-0.28			604 2026		1010
		Total for Vendor:	419.04					
36620		47 MC NEILUS STEEL INC	108.85					
	1674851 05/14/21	SCRAP #2 / RDTU 4"	108.85			604 957 4957	220	1010
	1674851 05/14/21	SALES TAX	7.48			604 957 4957	220	1010
	1674851 05/14/21	SALES TAX	-7.48			604 2025		1010
	1674851 05/14/21	D C TRANSIT TAX	0.54			604 957 4957	220	1010
	1674851 05/14/21	D C TRANSIT TAX	-0.54			604 2026		1010
		Total for Vendor:	108.85					

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 7 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36569		48 MCFOA	180.00					
	05/10/21	DUES-ZAWORSKI THRU 6/30/22	45.00			101 140 4140	334	1010
	05/10/21	DUES-NAIG THRU 6/30/22	45.00			101 140 4140	334	1010
	05/10/21	DUES-RAPPE THRU 6/30/22	45.00			101 140 4140	334	1010
	05/10/21	DUES-JOHNSON THRU 6/30/22	45.00			101 140 4140	334	1010
		Total for Vendor:	180.00					
36570		2478 MENARDS-ROCHESTER SOUTH	257.88					
	34469 05/04/21	PARTS-REPAIRS @ K.A.C.	257.88			101 514 4514	220	1010
		Total for Vendor:	257.88					
36572		89 METRO SALES INC	361.20					
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.30			101 140 4140	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			101 310 4310	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			101 191 4191	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			101 517 4517	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			290 650 4650	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			601 944 4944	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			602 949 4949	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			604 959 4959	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			605 963 4963	210	1010
	1812860 05/10/21	QTRLY MAINT B&W 5/13-8/12	25.26			609 976 4976	430	1010
	1812860 05/10/21	SALES TAX	1.74			604 959 4959	210	1010
	1812860 05/10/21	SALES TAX	-1.74			604 2025		1010
	1812860 05/10/21	D C TRANSIT TAX	0.13			604 959 4959	210	1010
	1812860 05/10/21	D C TRANSIT TAX	-0.13			604 2026		1010
	1812860 05/10/21	SALES TAX	1.74			609 976 4976	430	1010
	1812860 05/10/21	SALES TAX	-1.74			609 2025		1010
	1812860 05/10/21	D C TRANSIT TAX	0.13			609 976 4976	430	1010
	1812860 05/10/21	D C TRANSIT TAX	-0.13			609 2026		1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.82			101 140 4140	210	1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.86			101 310 4310	210	1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.86			101 191 4191	210	1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.86			101 517 4517	210	1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.86			290 650 4650	210	1010
	1812860 05/10/21	QTRLY MAINT-CLR 5/13-8/12	10.86			601 944 4944	210	1010

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 8 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	1812860	05/10/21 QTRLY MAINT-CLR 5/13-8/12	10.86			602 949 4949	210	1010
	1812860	05/10/21 QTRLY MAINT-CLR 5/13-8/12	10.86			604 959 4959	210	1010
	1812860	05/10/21 QTRLY MAINT-CLR 5/13-8/12	10.86			605 963 4963	210	1010
	1812860	05/10/21 QTRLY MAINT-CLR 5/13-8/12	10.86			609 976 4976	430	1010
	1812860	05/10/21 SALES TAX	0.75			604 959 4959	210	1010
	1812860	05/10/21 SALES TAX	-0.75			604 2025		1010
	1812860	05/10/21 D C TRANSIT TAX	0.05			604 959 4959	210	1010
	1812860	05/10/21 D C TRANSIT TAX	-0.05			604 2026		1010
	1812860	05/10/21 SALES TAX	0.75			609 976 4976	430	1010
	1812860	05/10/21 SALES TAX	-0.75			609 2025		1010
	1812860	05/10/21 D C TRANSIT TAX	0.05			609 976 4976	430	1010
	1812860	05/10/21 D C TRANSIT TAX	-0.05			609 2026		1010
		Total for Vendor:	361.20					
36573		4613 MILLNER HERITAGE VINEYARD &	106.50					
	3646	05/10/21 WINE	106.50			609 975 4975	251	1010
		Total for Vendor:	106.50					
36612		2344 MN VALLEY TESTING LABORATORIES	448.21					
	1087704	05/14/21 SUSP SOLIDS/MERC TESTING	448.21			602 947 4947	440	1010
		Total for Vendor:	448.21					
36574		4028 MPCA	668.89					
	1000012610	05/06/21 VSQG BASE-HAZ WASTE FEES	668.89			101 210 4210	430	1010
		Total for Vendor:	668.89					
36596		4920 NATIONAL FLEET GRAPHICS LLC	890.00					
	32507	05/12/21 DECALS-'21 CHEV GRASS RIG	445.00			101 220 4220	400	1010
	32507	05/12/21 DECALS-'20 CHEV UTIL VEHICLE	445.00			101 220 4220	400	1010
		Total for Vendor:	890.00					
36575		60 NORTHERN BEVERAGE DIST. CO. LL	11,286.55					
	784362	05/06/21 BEER	4,765.60			609 975 4975	252	1010
	784362	05/06/21 NA BEVERAGE	17.60			609 975 4975	254	1010
	784362	05/06/21 FREIGHT	2.00			609 975 4975	335	1010
	787449	05/13/21 BEER	6,499.35			609 975 4975	252	1010
	787449	05/13/21 FREIGHT	2.00			609 975 4975	335	1010
		Total for Vendor:	11,286.55					



05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 9 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36597		5088 OFFICE DEPOT INC	4.47					
	1725744280	05/13/21 FILE TABS	4.47			101 140 4140	210	1010
		Total for Vendor:	4.47					
36576		502 ON-SITE COMPUTERS INC	301.06					
	CW73486	04/30/21 K.A.C. SET UP	163.56			101 514 4514	400	1010
	CW73486	04/30/21 C H-C C SET UP	110.00			101 192 4192	400	1010
	CW73486	04/30/21 C H-PUA ASSISTANCE	27.50			101 192 4192	400	1010
		Total for Vendor:	301.06					
36577		2836 PETTY CASH - PARK & POOL	100.00					
	05/10/21	START UP CHG-VETS PARK CONCESS	100.00			101 1151		1010
		Total for Vendor:	100.00					
36578		23 PHILLIPS WINE & SPIRITS	5,236.87					
	6202452	05/11/21 LIQUOR	2,332.02			609 975 4975	251	1010
	6202453	05/11/21 WINE	754.00			609 975 4975	251	1010
	6202454	05/11/21 MIXES	92.00			609 975 4975	254	1010
	6206263	05/18/21 LIQUOR	1,634.85			609 975 4975	251	1010
	6206264	05/18/21 WINE	304.00			609 975 4975	251	1010
	6206265	05/18/21 MIXES	120.00			609 975 4975	254	1010
		Total for Vendor:	5,236.87					
36579		778 PIONEER	374.00					
	INV788112	05/04/21 PAINT STRIPER FOR BALL FIEL	374.00			101 517 4517	210	1010
		Total for Vendor:	374.00					
36621		3936 POMP'S TIRE SERVICE INC	1,884.57					
	230103917	05/13/21 REPAIRS TO '11 FORD AERIAL	1,884.57			604 957 4957	400	1010
	230103917	05/13/21 SALES TAX	75.68			604 957 4957	400	1010
	230103917	05/13/21 SALES TAX	-75.68			604 2025		1010
	230103917	05/13/21 D C TRANSIT TAX	5.50			604 957 4957	400	1010
	230103917	05/13/21 D C TRANSIT TAX	-5.50			604 2026		1010
		Total for Vendor:	1,884.57					

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 10 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36580		5684 RAY O'HERRON CO. INC.	363.00					
	2112415-IN	05/07/21 AMMO	121.00			101 210 4210	210	1010
	2113471-IN	05/12/21 AMMO	242.00			101 210 4210	210	1010
		Total for Vendor:	363.00					
36647		2005 RESERVE ACCOUNT	500.00					
	22870844-4	05/20/21 POSTAGE METER REFILL	113.00			101 140 4140	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	15.00			101 210 4210	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	15.00*			101 310 4310	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	15.00			101 510 4510	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	10.00			211 550 4550	210	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	15.00			290 650 4650	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	20.00			601 944 4944	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	20.00			602 949 4949	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	100.00			604 959 4959	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	15.00			605 963 4963	325	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	10.00			606 516 4516	210	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	100.00			609 976 4976	210	1010
	22870844-4	05/20/21 POSTAGE METER REFILL	10.00			610 984 4984	210	1010
	22870844-4	05/20/21 POSTAGE-K.A.C. EMPLOYEE LE	42.00			101 514 4514	430	1010
		Total for Vendor:	500.00					
36581		63 SCHOTT DIST CO INC	20,993.55					
	422064	05/06/21 BEER	7,087.05			609 975 4975	252	1010
	422065	05/06/21 LIQUOR	151.10			609 975 4975	251	1010
	422835	05/13/21 BEER	13,566.35			609 975 4975	252	1010
	422835	05/13/21 NA BEVERAGE	189.05			609 975 4975	254	1010
		Total for Vendor:	20,993.55					
36582		2843 SCSU	275.00					
	217885-917	05/14/21 NAIG REGISTR-MCFOA ANNL CO	275.00			101 140 4140	333	1010
		Total for Vendor:	275.00					

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 11 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
36583		2325 SE MN LEAGUE OF MUNICIPALITIES	40.00					
	04/30/21	'21-'22 MEMBERSHIP DUES	40.00			101 111 4111	334	1010
		Total for Vendor:	40.00					
36598		3750 SELJAN, CHRIS	65.00					
	05/07/21	DIESEL FUEL-TANKER TRUCK	65.00			101 220 4220	212	1010
		Total for Vendor:	65.00					
36584		3850 SOUTHERN GLAZER'S OF MN	2,923.35					
	2078934 05/12/21	LIQUOR	1,554.45			609 975 4975	251	1010
	2078934 05/12/21	WINE	708.00			609 975 4975	251	1010
	2078934 05/12/21	FREIGHT	27.90			609 975 4975	335	1010
	2081670 05/19/21	LIQUOR	620.60			609 975 4975	251	1010
	2081670 05/19/21	FREIGHT	12.40			609 975 4975	335	1010
		Total for Vendor:	2,923.35					
36629		5708 STAPLES BUSINESS CREDIT	306.98					
	7329180160 04/26/21	BLACK TONER-RICOH 300	40.48			101 140 4140	210	1010
	7329180160 04/26/21	BLACK TONER-RICOH 300	8.10			601 944 4944	210	1010
	7329180160 04/26/21	BLACK TONER-RICOH 300	8.10			602 949 4949	210	1010
	7329180160 04/26/21	BLACK TONER-RICOH 300	16.20			604 959 4959	210	1010
	7329180160 04/26/21	BLACK TONER-RICOH 300	8.10			605 963 4963	210	1010
	7329180160 04/26/21	SALES TAX	1.11			604 959 4959	210	1010
	7329180160 04/26/21	SALES TAX	-1.11			604 2025		1010
	7329180160 04/26/21	D C TRANSIT TAX	0.08			604 959 4959	210	1010
	7329180160 04/26/21	D C TRANSIT TAX	-0.08			604 2026		1010
	7329180160 04/29/21	gr-AVERY LABELS RETURNED	-3.15			101 140 4140	210	1010
	7330636296 05/12/21	YELLOW CARDSTOCK	4.12			601 944 4944	210	1010
	7330636296 05/12/21	YELLOW CARDSTOCK	4.12			602 949 4949	210	1010
	7330636296 05/12/21	YELLOW CARDSTOCK	8.23			604 959 4959	210	1010
	7330636296 05/12/21	YELLOW CARDSTOCK	4.12			605 963 4963	210	1010
	7330636296 05/12/21	SALES TAX	0.57			604 959 4959	210	1010
	7330636296 05/12/21	SALES TAX	-0.57			604 2025		1010
	7330636296 05/12/21	D C TRANSIT TAX	0.04			604 959 4959	210	1010
	7330636296 05/12/21	D C TRANSIT TAX	-0.04			604 2026		1010
	7330636296 05/12/21	PENS/SHARPIES/CARDSTOCK/MA	103.27			101 514 4514	210	1010

05/20/21  
16:23:42

CITY OF KASSON  
Claim Approval List  
For the Accounting Period: 5/21  
For Pay Date: 05/27/21

Page: 12 of 15  
Report ID: AP100V

For Pay Date = 05/27/21

\* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
	7330636296	05/12/21 TONER-BROTHER PRNTR-K.A.C.	105.29			101 514 4514	210	1010
		Total for Vendor:	306.98					
36585		6231 SxSE MN BREWING CO.	546.00					
	019900	05/04/21 BEER	294.00			609 975 4975	252	1010
	020246	05/10/21 BEER	147.00			609 975 4975	252	1010
	020629	05/17/21 BEER	105.00			609 975 4975	252	1010
		Total for Vendor:	546.00					
36599		4503 TITAN MACHINERY	77.38					
	15427151GP	04/23/21 RESTOCK FEE (ROLLER RETURN	77.38			605 963 4963	220	1010
		Total for Vendor:	77.38					
36586		5035 VALLI INFORMATION SYSTEMS INC	2,139.66					
	65143	04/30/21 UTILITY BILLING MAILING	427.93			601 944 4944	325	1010
	65143	04/30/21 UTILITY BILLING MAILING	427.93			602 949 4949	325	1010
	65143	04/30/21 UTILITY BILLING MAILING	855.87			604 959 4959	325	1010
	65143	04/30/21 UTILITY BILLING MAILING	427.93			605 963 4963	325	1010
		Total for Vendor:	2,139.66					
36587		3167 VESSCO INC	222.41					
	83304	05/05/21 FLOW SENSOR-K.A.C.	222.41			101 514 4514	220	1010
		Total for Vendor:	222.41					
36588		5047 WATERVILLE FOOD & ICE INC	121.42					
	04-109851	05/11/21 ICE-LIQUOR STORE	73.38			609 975 4975	257	1010
	04-109916	05/18/21 ICE-LIQUOR STORE	48.04			609 975 4975	257	1010
		Total for Vendor:	121.42					
36589		5182 WHKS & CO.	51,230.00					
	43146	05/10/21 ENGINEERING-WITZEL SUBDIV	51,230.00			101 1151		1010
		Total for Vendor:	51,230.00					
36590		2407 WINE MERCHANTS	264.00					
	7329148	05/11/21 WINE	264.00			609 975 4975	251	1010
		Total for Vendor:	264.00					
		# of Claims	62	Total:				292,546.18



05/20/21  
16:23:43

CITY OF KASSON  
Fund Summary for Claims  
For the Accounting Period: 5/21

Page: 14 of 15  
Report ID: AP110

Fund/Account	Amount
101 General Fund	
1010 CASH-OPERATING	\$82,728.77
211 Library Fund	
1010 CASH-OPERATING	\$91.17
290 Economic Development	
1010 CASH-OPERATING	\$51.12
601 Water Fund	
1010 CASH-OPERATING	\$845.48
602 Sewer Fund	
1010 CASH-OPERATING	\$3,029.07
604 Electric Fund	
1010 CASH-OPERATING	\$144,776.99
605 Storm Water	
1010 CASH-OPERATING	\$918.10
606 ICE ARENA	
1010 CASH-OPERATING	\$45.05
609 Liquor Fund	
1010 CASH-OPERATING	\$53,450.43
610 Maple Grove Cemetery	
1010 CASH-OPERATING	\$10.00
877 Festival in Park Fund	
1010 CASH-OPERATING	\$6,600.00
Total:	\$292,546.18

05/20/21  
16:23:43

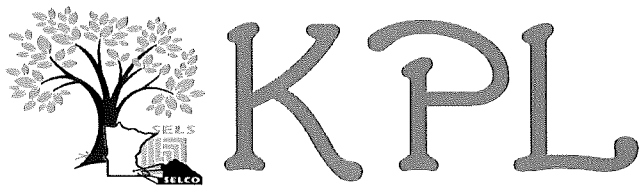
CITY OF KASSON  
Claim Approval Signature Page  
For the Accounting Period: 5 / 21

Page: 15 of 15  
Report ID: AP100A

CITY OF KASSON  
401 5TH STREET SE  
KASSON, MN 55944-2204

The claim batch dated \_\_\_\_\_ are approved for payment.

APPROVED \_\_\_\_\_ Council Member  
\_\_\_\_\_ Council Member



# ***Kasson Public Library***

**607 1st St. NW, Kasson, MN 55944**

**507/634-7615 [www.kasson.lib.mn.us](http://www.kasson.lib.mn.us)**

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12 May 2021

Timothy Ibisch, City Administrator  
City of Kasson  
401 5<sup>th</sup> St. SE  
Kasson, MN 55944

Dear Mr. Ibisch:

I have met with and reviewed Barbara Thompson, Library Aide, in her first annual evaluation on April 29, 2021. She consistently meets expectations, has excellent customer skills and has quickly become a valued member of the library team. In its regular meeting on May 11, 2021, the Kasson Public Library Board reviewed the evaluation as well. I, together with the approval of the Library Board, therefore recommend that Barbara Thompson receive an increase from her current Grade 2, Step 1 to Step 2.

I respectfully request your approval, along with that of the City Council, in its next meeting.

Thank you.

Sincerely,

Patricia Shaffer-Gottschalk  
Kasson Public Library Director  
607 1<sup>st</sup> Street NW  
Kasson, MN 55944



MINUTES OF PLANNING COMMISSION MEETING  
May 10, 2021

Pursuant to due call and notice thereof, a regular Planning Commission meeting was held at City Hall on the 12th day of April, 2021 at 6:30 PM

**THE FOLLOWING WERE PRESENT:** Chairman Ferris, Commissioner Burton, Commissioner Thompson (arrived at 7:34), Commissioner Torkelson, Commissioner Zelinske, Commissioner Tinsley and Commissioner Fitch

**THE FOLLOWING WERE ABSENT:** None

**THE FOLLOWING WERE ALSO PRESENT:** Administrator Tim Ibisch, Anthony Solseth and Chris Boruff

**CALL TO ORDER AT 6:30PM**

**ADDITIONS TO AGENDA –**

**Public Forum**

**Add Wilker Update to Other**

**MINUTES OF THE PREVIOUS MEETING – April 10, 2021 - Motion to Approve the Minutes as Amended made by Commissioner Torkelson, second by Commissioner Burton With All Voting Aye.**

**PUBLIC FORUM**

**Anthony Solseth – 402 N Mantorville Ave** - Bought a house on Mantorville Ave and was told he could put up a 36" fence and was turned in for code being 30". The Planning Commission asked him to get a variance for the fence height but gave him permission to continue building the fence pending the variance.

**Chris Boruff – 305 Mantorville Ave N** - Has the house across the street that has a fence that is too high. The Planning Commission stated that Mr. Boruff will need to submit a variance request.

**ORDINANCE CHANGE TO KENNEL LANGUAGE DISCUSSION** – The Planning Commission discussed possible changes and believes that changing the language of 90.03(A)(1) to "No residential address shall care for, have custody or control of more than three dogs within the City limits.

**ORDINANCE CHANGE TO SOLAR LANGUAGE DISCUSSION** – Administrator Ibisch stated that the City has had residents who have been inquiring about putting solar on their house. Commissioner Fitch stated that he thinks the Fire Department should be involved in the process somewhere.

**ORDINANCE CHANGE TO SIGN LANGUAGE DISCUSSION** – Administrator Ibisch stated that the part of the sign ordinance 154.344 the language is no longer valid. The City Attorney advises that line 154.344 (A) be revised to read: “Temporary Political signs, not exceeding 32 square feet in area, meaning any sign the display surface of which is primarily constructed of cloth, canvas, fabric, paper board or other light material intended or suitable for only a temporary period of display, and advertising a candidacy for political office or a proposition to be voted upon.” The Planning Commission discussed this and suggested that this portion of the ordinance be included with the candidate handbook when they sign up to run for office.

**UPDATE ON KOMET ACRES** – Administrator Ibisch updated the Commission on the annexation with Mantorville Township for Komet Acres. The Township was opposed to having a road go through but they did approve have the project go forward with the addition of 10 foot trail addition from the end of the cul de sac to the township road. Commissioner Zelinske stated that we need to look at future growth and transportation issues.

**TRANSPORTATION PLAN/MAP** – Administrator Ibisch presented the Comprehensive plan and maps. Commissioner Burton stated that we are not following our policies in the comp plan. Public safety is a large part of the transportation plan. Ibisch stated that this is crucial and we have a lot of subdivisions and more annexations coming in the future if the market stays the way it is.

**COUNTY PUBLIC HEARINGS** – Administrator Ibisch stated that these County projects are within our growth area. This is for the Commissioners information.

**OTHER - DAVIDSON VARIANCE UPDATE** – Administrator Ibisch referred to the staff report and that this is a variance after the fact.

**UPDATE ON WILKER INSPECTION** – Park and Rec Director Ron Unger, submitted his yearly inspection of the Wilker Landscaping property.

Adjourn 7:49PM

Respectfully Submitted,

---

Linda Rappe, City Clerk

## KASSON PUBLIC LIBRARY (KPL) BOARD OF TRUSTEES MEETING MINUTES

Tuesday, April 13<sup>th</sup>, 2021, at 6:00pm in the Library

**Present:** Lisa Carlsen, Tarik Kamel, Laurie Schultz, Jon Wright, and Director Pat Shaffer-Gottschalk

**Absent:** Melissa Ferris

**Visitors:** City Administrator Tim Ibsch

**Petitions to the Chair:** none

**Amendments to Agenda:** Laurie motioned to approve the agenda; 2<sup>nd</sup> by Jon. Motion carried.

**Minutes of the Jan KPL Board Meeting:** Motion to approve by Jon, 2<sup>nd</sup> by Tarik. Motion carried.

**Financial Reports/Payables:** Motion to approve by Laurie, 2<sup>nd</sup> by Jon. Motion carried.

**Monthly Reports/Receivables:** Motion to approve by Jon, 2<sup>nd</sup> by Tarik. Motion carried.

### Director's Report:

Pat thanked the staff for handling KPL business while she was out.

#### Library Activities:

- Distributed 71 "Take & Make" craft kits in March.
- Library celebrated International Day of Happiness throughout March and World Poetry Day with a new poem featured daily during the middle 2 weeks of March.
- Staff continued providing virtual and in-person programs:
  - New online storytime every Friday via YouTube
  - Free "Take & Make" craft kits
  - Book deliveries on 1<sup>st</sup> & 3<sup>rd</sup> Wednesdays to daycares, homebound, special needs and nursing home patrons
  - Exam proctoring

#### Looking Ahead:

- National Library Week will be celebrated April 4<sup>th</sup>-10<sup>th</sup>.
- Summer Reading Program will be holding outdoor events only, using tents on the side lawn. Friends of KPL contributed \$2000 towards the Summer Reading Program.
- 3 Book Clubs are meeting in-person at KPL. One club will continue using Zoom and the other is choosing to wait.
- Friends of KPL will have a Book Giveaway on Saturday, May 15<sup>th</sup> with May 22<sup>nd</sup> as the rain date.

Guidance on Groups Using the Library: KPL is following MN Stay Safe Guidelines for indoor venues which are operating at 50% capacity, not including staff. Social distancing and masks are still required. Groups of no more than 10 are allowed in the great room to allow for additional patrons. Children's groups up to 10 require at least 1 adult.

Policies Project: See Old Business

Building Report: The City entered into a Professional Services Agreement with ICS on behalf of KPL.

Repairs are likely to begin in the fall. Grading by the west delivery entrance may begin earlier. Tim requested the Board to determine a level of commitment to the project by July as the bids will begin in Aug-Sept. Tim will get Nancy's recommendation regarding the amount. Jon asked if Josh Fjerstad was paid for his services; KPL has not yet been billed.

### Committee Reports:

City Council: See Building Report under the Director's Report

Friends of the Library: none

SELCO Board of Director's Meeting: none

**Old Business:** 2<sup>nd</sup> reading of proposed Library Board by-Law changes. Tim recommended changing Article V – Duties of the Library Board to remove any mention of staff, which may choose to be members of the union. Motioned for approval by Jon; 2<sup>nd</sup> by Lisa. Motion carried. Continued discussion on the Mission Statement.

**New Business:** none

**General Discussion:** none

**Adjourn:** 7:00pm

**Respectfully submitted by:** Laurie Schultz, secretary

**CITY OF KASSON  
RESOLUTION #5.X-21**

**RESOLUTION CERTIFYING DELINQUENT CLAIMS  
TO THE COUNTY AUDITOR**

**WHEREAS**, during 2020/21, the City of Kasson provided fire related services to properties within the City;  
and

**WHEREAS**, provisions of the City Code provide that bills for these services remaining unpaid for an extended period shall be certified against the affected properties; and

**WHEREAS**, the City of Kasson enforced the removal of weeds, brush and tall grass for nuisance violations, as provided under various provisions of the City Code; and

**WHEREAS**, during 2020/21 the City of Kasson provided water, sewer and electrical related services to properties within the City;

**WHEREAS**, provisions of the City Code provide that all charges may be assessed against the property; and

**WHEREAS**, payment for the service is due after the service has been provided;

**NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KASSON,  
MINNESOTA:**

The Finance Director is hereby authorized to certify to the Dodge County Auditor these charges:

1.	TW Companies	18 Vet Mem Hwy E PID # 24.033.5800	Delinquent Utilities Administrative Fee	\$ 493.00 \$ 50.00
2.	South Fork Homes	5 South Fork Dr SE PID # 24.573.1005	Delinquent Utilities Administrative Fee	\$ 511.60 \$ 50.00

The County Auditor shall collect these charges, including 9% interest, along with the 2021 property taxes collectable in 2022.

**ADOPTED** this 26th day of May, 2021

**ATTEST:**

\_\_\_\_\_  
Chris McKern, Mayor

\_\_\_\_\_  
Linda Rappe, City Clerk

The motion for the adoption of the foregoing resolution was made by Council Member \_\_\_\_\_ and duly seconded by Council Member \_\_\_\_\_. Upon a vote being taken, the following members voted in favor there of: \_\_\_\_\_. Those against same: \_\_\_\_\_.

2905 South Broadway  
Rochester, MN 55904-5515  
Phone: 507.288.3923  
Fax: 507.288.2675  
Email: rochester@whks.com  
Website: www.whks.com



May 19, 2021

Honorable Mayor and City Council  
City of Kasson  
401 5<sup>th</sup> Street SE  
Kasson, MN 55944-2204

RE: Kasson, MN  
CCTV Inspection of Sanitary Sewer  
Pay Request No. 6

Dear Mayor and City Council:

Enclosed is Pay Request No.6 for work on the above referenced project.

We recommend payment in the amount of \$5,225.35 to:

Hydro-Klean, LLC  
333 NW 49<sup>th</sup> Place  
Des Moines, IA 50313

Please contact me if you have any questions.

Sincerely,

**WHKS & co.**

A handwritten signature in blue ink, appearing to read "Bryan Kaemingk", is written over a light blue horizontal line.

Bryan Kaemingk, P.E.

BK/bk

Enclosure

cc: Timothy Ibisch, City Administrator  
Nancy Zaworski, Finance Director  
Brian Craig, Hydro-Klean

2905 South Broadway  
Rochester, MN 55904  
Phone: 507.288.3923



PARTIAL PAYMENT ESTIMATE  
FOR CONSTRUCTION WORK COMPLETED

Project: CCTV Inspection of Sanitary Sewer  
Project No.: 8897  
Location: Kasson, Minnesota  
Contractor: Hydro-Klean, LLC

Bid Price: \$ 206,452.58  
  
Date: 5/19/2021  
Estimate #: 6  
% Complete: 81%

Line No.	Description	Contract Quantity	Unit	Unit Price	Quantity Completed Previous Estimate	Quantity Completed This Estimate	Quantity Completed to Date	Total
1.	Mobilization and Traffic Control	1	LS	\$ 4,800.00	1.0	0.0	1.0	\$ 4,800.00
2.	Heavy Clean	120	HR	\$ 225.00	11.5	0	11.5	\$ 2,587.50
3.	Root Cutting	15,000	LF	\$ 0.75	0.0	2,003.0	2,003.0	\$ 1,502.25
4.	Final Project Reports	1	LS	\$ 1,000.00	0.0	0	0.0	\$ -
5.	6-inch CCTV	1,000	LF	\$ 0.98	178.7	0	178.7	\$ 175.13
6.	8-inch CCTV	131,043	LF	\$ 0.98	127,215.6	2,438.8	129,654.4	\$ 127,061.31
7.	10-inch CCTV	2,230	LF	\$ 0.98	1,946.6	0	1,946.6	\$ 1,907.67
8.	12-inch CCTV	13,434	LF	\$ 0.98	14,487.4		14,487.4	\$ 14,197.65
9.	15-inch CCTV	7,786	LF	\$ 1.10	7,944.1		7,944.1	\$ 8,738.51
10.	18-inch CCTV	7,856	LF	\$ 1.10	4,359.2	1,461.9	5,821.1	\$ 6,403.21
11.	24-inch CCTV	224	LF	\$ 1.98	0.0	0	0.0	\$ -

Total Work Completed \$ 167,373.23

Less 5% Retainage \$ (8,368.66)

Less Previous Estimates \$ (153,779.22)

Net Payment this Estimate \$ 5,225.35

**CITY OF KASSON  
RESOLUTION 5.X-21**

**A Resolution Declaring a Kasson City Council Vacancy**

WHEREAS, Lonnie Zelinske, a member of the Kasson City Council, has submitted his written resignation, effective May 31, 2021;

THEREFORE, BE IT RESOLVED that the Kasson City Council hereby accepts the resignation of Lonnie Zelinske and declares a vacancy of the office of City Council Member, effective May 31, 2021.

Yeas\_\_\_\_\_ Nays\_\_\_\_\_ Absent\_\_\_\_\_

PASSED AND ADOPTED by the City Council of the City of Kasson, this 26<sup>th</sup> day of May 2021.

Approved:

\_\_\_\_\_  
Chris McKern, Mayor

Attest:

\_\_\_\_\_  
Linda Rappe, City Clerk



## REQUEST FOR COUNCIL ACTION

**Meeting Date:** May 12, 2021

AGENDA SECTION:	ORIGINATING DEPT: Planning and Zoning
ITEM DESCRIPTION: Kasson Meadow's 7 <sup>th</sup> Addition Final Plat	PREPARED BY: Brad Scheib, Planning Consultant, HKGi Laura Chamberlain, HKGi

On March 24, 2021, the City Council approved the Preliminary Plat for Kasson Meadows 7<sup>th</sup> Addition, for the properties located at PID No. 240280104 & 130280103. The City Council approved the Preliminary Plat with a number of conditions to be reflected within the submittal of a Final Plat application. Those conditions have partially been met and the submitted final plat is in substantial conformance with the approved Preliminary Plat with the remaining conditions as noted in the resolution. The remaining conditions are minor technical matters. The developer agreement includes one unique element in that the public improvements are scheduled to be completed over a series of 3 phases. The first phase is documented in the developer agreement. Future phases will need to be approved via an amended development agreement that will come to the City Council for approval after staff and the developer update improvement costs and security amounts.

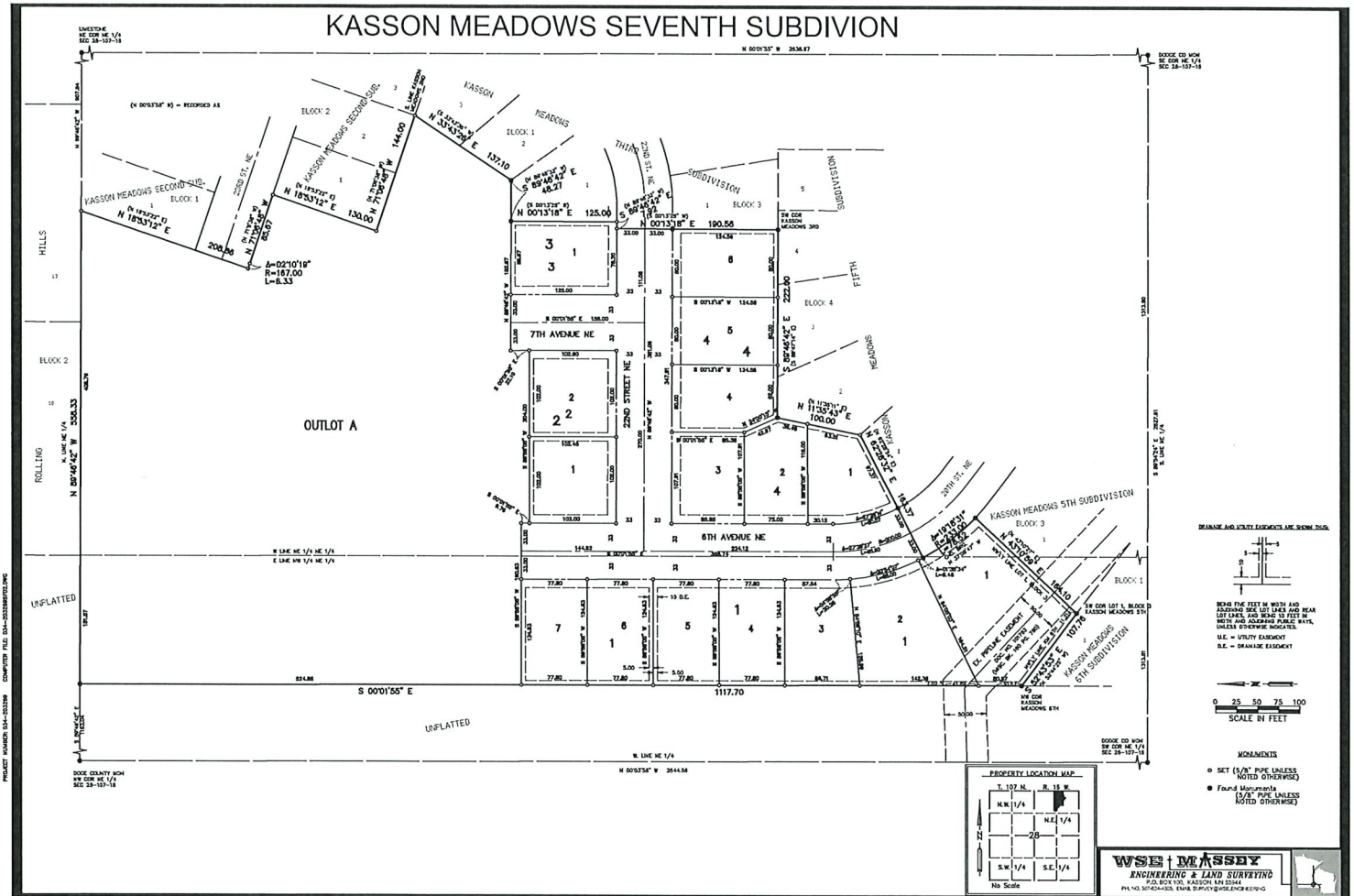
Attached for your review and consideration is the final plat drawing, a draft developer's agreement, and draft resolution.

**COUNCIL ACTION REQUESTED: Review the application, draft developer's agreement, and draft resolution for Kasson Meadows 7<sup>th</sup> Addition Final Plat and approve the Final Plat, with the conditions as noted in the resolution and any additional conditions deemed appropriate by the City Council.**

**Attachments:**

1. Final Plat drawing
2. DRAFT Developers Agreement
3. **DRAFT RESOLUTION**

# KASSON MEADOWS SEVENTH SUBDIVISION





**CITY OF KASSON  
RESOLUTION # XX-21**

**RESOLUTION APPROVING THE FINAL PLAT FOR THE PROPERTIES AT PID NO.  
240280104 AND 130280103, KNOWN AS KASSON MEADOWS 7<sup>TH</sup> ADDITION**

**WHEREAS**, the applicant, Kasson Meadows, LLC, represented by Scott Lampland, on April 21, 2021 submitted a request for a Final Plat, for the properties at PID No. 240280104 and 130280103; and,

**WHEREAS**, the subject site is generally located north of the intersection of 20<sup>th</sup> Street NE and 21<sup>st</sup> Place NE in the Kasson Meadows neighborhood, at the northern border of Kasson; and,

**WHEREAS**, the applicant is proposing to plat the cumulative 12.11 acre parcels into 16 single family detached lots and one outlot; and,

**WHEREAS**, the appropriate City Staff and consultants have performed a technical review of the application; and

**WHEREAS**, the City Council has considered how the proposed project might affect public health, safety, or welfare and will be imposing conditions upon the approval addressing these considerations; and

**WHEREAS**, the City Council has studied the practicality of the final plat and development plan, taking into consideration the present and future development of the property and the requirements of the Zoning, Subdivision Ordinances, and other official controls.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KASSON, MINNESOTA** that the Final Plat for PID No. 240280104 and 130280103, known as Kasson Meadows 7<sup>th</sup> Addition, is hereby approved, subject to the following conditions:

1. The applicant shall submit an exhibit and legal description to the City showing a trail easement on the western side of the plat to provide needed pedestrian connections from the neighborhood to current and future school facilities; the easement exhibit shall require review and approval by the City Engineer before the Plat may be signed and recorded.
2. The street names within the Plat shall require review and approval by the Director of Public Works before the Final Plat may be signed and recorded.
3. The applicant shall submit to the City updated construction plans and details addressing comments from the City Engineer; the plans and details shall be reviewed by the City Engineer and shall require their approval before the Plat may be signed and recorded.

4. The draft development agreement, presented to the City Council on May 26, 2021 shall be finalized and approved by the City Attorney prior to releasing the final plat for recording.
5. Finished construction of public access to the neighborhood via 22nd Street Northeast shall be required prior to the issuance of any individual building permit for Kasson Meadow's 7th Addition.

**BE IT FURTHER RESOLVED**, in granting approval of the preliminary plat, the City Council makes the following findings of fact:

1. The proposed final plat substantially conforms with the preliminary plat of Kasson Meadows 7<sup>th</sup> Addition, which was conditionally approved via Resolution #3.4-21 on March 24, 2021.
2. The proposed final plat, with conditions, is consistent with the Comprehensive Plan and policies of the City of Kasson.
3. The physical characteristics of the site are suitable for the type of development and use being proposed.
4. The proposed development will not negatively impact the health, safety, or welfare of the community.
5. The proposed final plat, with conditions, gives effective protection to the natural resources of the community.

Adopted by the City Council this 26<sup>th</sup> of May, 2021.

**ATTEST:**

\_\_\_\_\_  
Linda Rappe, City Clerk

\_\_\_\_\_  
Chris McKern, Mayor

The motion to approve the foregoing resolution was made by Council Member \_\_\_\_ and duly seconded by Council Member \_\_\_\_\_. Upon a vote being taken, the following members voted in favor thereof: \_\_\_\_\_. Those against same: \_\_\_\_\_.



## KASSON MEADOWS 7<sup>TH</sup> ADDITION SUBDIVISION DEVELOPMENT AGREEMENT

The parties to this Development Agreement ("Development Agreement") are the City of Kasson, a Minnesota municipal corporation (hereinafter referred to as the "City"), and Kasson Meadows, LLC, a Minnesota limited liability company (hereinafter referred to as the "Developer").

The City and Developer are sometimes referred to in this Development Agreement as a "Party" or the "Parties."

### RECITALS

- a. Developer owns certain real property within the City limits of Kasson, situated in the County of Dodge, State of Minnesota, and legally described on the attached Exhibit A, in addition, The City of Kasson has public right-of-way for the proposed 22<sup>nd</sup> Street NE Extension located between 9<sup>th</sup> Avenue NE and 11<sup>th</sup> Avenue NE, hereinafter referred to as "Development Property" or "Premises."
- b. Developer has requested permission to construct, at its own expense, certain public improvements within the proposed public right-of-way of the Development Property according to the plans and specifications prepared by WSE Massey Engineering & Surveying (Kasson Meadows 7<sup>th</sup> Addition) and WHKS&Co. (22<sup>nd</sup> Street NE Extension). The estimated public improvement construction cost for the Kasson Meadows 7<sup>th</sup> Addition project is \$442,000.00
- c. The City is willing to grant Developer permission to complete the proposed improvements at Developer's own expense, provided the proposed improvements are completed in accordance with the terms of this Agreement and under the supervision of the City Engineer or his agent or representative, in addition to any terms and conditions required of all developers undertaking this type of construction within the City. The Developer shall also be responsible for the City Engineer's construction observation fees which are estimated to be \$16,000.00 for the Kasson Meadows 7<sup>th</sup> Addition portion of the Development Project. The City agrees to be responsible for the City Engineer's connection observation fees for the 22<sup>nd</sup> Street NE Extension.
- d. The City shall reimburse the Developer \$62,058.82 for completion of the 22<sup>nd</sup> Street NE Extension project at the time of final completion of the improvements.

NOW, THEREFORE, in consideration of the premises, the Parties hereby agree as follows:

#### **1. Developer Representations and Warranties.**

Developer makes the following representations and warranties to the City:

a. The individual(s) executing this Development Agreement on behalf of the Developer, has the right, power, legal capacity and organizational authority to execute this Development Agreement, and no approvals or consents of any persons are necessary in connection with the authority of the individual to execute this Development Agreement.

b. Developer is not currently in default under any contract, agreement or mortgage to which Developer is a party or by which the Development Property is bound which in any way affects the Developer's performance under this Development, nor have any events occurred which would be a default under such contracts, agreements or mortgages but for the passage of time or giving of notice thereof.

c. Developer has complied with and will continue to comply with all applicable Federal, State and local statutes, laws and regulations, including, without limitation, any permits, licenses, and applicable zoning, environmental, building codes or other laws, including but not limited to NPDES, MPCA and Minnesota Department of Health permits, ordinances or regulations affecting the Development Property and the work to be completed thereon. Developer is not aware of any pending or threatened claim of any such violation. Without limitation of the foregoing, Developer expressly acknowledges and agrees that it has and shall at all times comply with each and every provision of the City's subdivision, zoning, and other related municipal code regulations.

d. There is no suit, action, arbitration or legal, administrative or other proceeding or other governmental investigation pending or threatened against or affecting the Developer. The Developer is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality.

e. To the best of the Developer's knowledge, no council person or other officer or employee of the City is directly or indirectly financially interested in this Development Agreement or any contract, agreement or job thereby contemplated to be entered into or undertaken. Developer warrants that it has not paid or given, and will not pay or give, any official or employee of the City any money or other consideration for obtaining this Development Agreement.

f. None of the representations and warranties made by the Developer in any exhibit hereto or memorandum or writing furnished or to be furnished by the Developer or on its behalf contains or will contain any untrue statement of material fact or omits any material fact, the omission of which would be misleading.

g. Developer shall not allow any waste or nuisance on the premises or allow the premises to be used for any unlawful purposes. Further, Developer shall maintain the premises in a neat and clean condition, including mowing and removal of all construction debris.

h. Developer shall arrange and pay for all utilities furnished to the premises, including, but not limited to, electricity, gas, water, sewer, telephone service, as well as payment of all real estate taxes and all other taxes, if any.



i. Developer shall arrange and pay for the proper abandonment of existing wells and septic systems located on the Development Property, if any, pursuant to federal, state and local laws and regulations.

j. The Developer warrants that the construction of the infrastructure on the Development Property, which includes water main, sanitary sewer main, storm water collection mains, storm water management ponds, curbs, gutters, streets, and sidewalks, shall comply with the plans and specifications approved by the City Engineer and attached hereto as Exhibit B. The Developer shall have a pre-construction meeting with the City regarding the installation of the infrastructure. The Developer, and its contractors shall coordinate any water main and sewer main disturbances with the City's staff.

k. The Developer warrants that the construction plans and hydraulic calculations for the storm water management ponds shall be reviewed and approved by the City Engineer prior to construction. The Developer further warrants that the construction of the storm water management ponds shall comply with the plans and specifications approved by the City Engineer.

l. Three copies of the final project plans and specification shall be signed by the Developer and its engineer and submitted to the City. The City and the City Engineer shall sign all copies and return one to the Developer. There shall be no alterations to the approved plans and specifications except upon the prior written approval of the City and its Engineer.

## **2. The Project.**

The work to be completed pursuant to this agreement shall commence on or about June 1<sup>st</sup>, 2021, shall be done and performed in the best and most workmanlike manner and in strict conformance with the Plans and specifications approved by the City, and shall consist of the following:

a. The Developer shall construct at its expense a water main on the Development Property pursuant to the plans and specifications as approved by the City Engineer. The Developer shall connect the water main to the City's existing water main as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing water main is in conformance with applicable federal, state, and local laws and regulations and is sufficient to meet the needs of the Development Property. All applicable water access charges pursuant to Ordinance §53.002 shall be paid to the City prior to the commencement of construction on the Development Property.

b. The Developer warrants that all the labor and materials used in constructing the water main will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the water main shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.



c. The Developer shall construct at its expense a sanitary sewer main on the Development Property sufficient to meet the needs of the Development Project and pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the sanitary sewer main to the City's existing sanitary sewer main as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing sanitary sewer main is in conformance with applicable federal, state, and local laws and regulations and is sufficient to meet the needs of the Development Property. All applicable sanitary sewer access charges pursuant to Ordinance §53.002 shall be paid to the City prior to the commencement of construction on the Development Property.

d. The Developer warrants that all the labor and materials used in constructing the sanitary sewer main will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the sanitary sewer main shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

e. The Developer shall construct at its expense a storm water collection system for the Development Property, which includes storm water collection mains and storm water management ponds, sufficient to meet the needs of the Development Project and pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the storm water collection mains and the storm water management ponds to the City's existing storm water collection system as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing storm water collection mains are in conformance with applicable federal, state, and local laws and regulations and are sufficient to meet the needs of the Development Property. All applicable storm water area charges pursuant to Ordinance §53.002 shall be paid to the City prior to the commencement of construction on the Development Property.

f. The Developer warrants that all the labor and materials used in constructing the storm water collection system will be of good quality and in conformance of applicable federal, state and local laws and regulations. Developer further guarantees that the storm water collection mains on any public street shall not have to be replaced or repaired for a period of one (1) year from the date of the City's acceptance of the infrastructure. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of Developer.

g. The Developer warrants that all labor and materials used in constructing the storm water management system will be of good quality and in conformance with applicable federal, state and local laws and regulations and pursuant to NPDES permit requirements. The Developer shall clean out the storm water management ponds after homes are constructed upon the Development Property, and the City shall inspect and accept the ponds and infrastructure, after which the City shall be responsible for the maintenance of the ponds.

h. The Developer shall construct at its expense the streets, curbs, and gutters on the Development Property sufficient to meet the needs of the Development Project and pursuant to the plans and specifications approved by the City Engineer. The Developer shall connect the street, curbs, and gutters to the City's existing streets, curbs, and gutters as indicated on the approved plans and specifications. Prior to such connection, the Developer shall verify that the existing streets, curbs, and gutters are in conformance with applicable federal, state, and local laws and regulations and are sufficient to meet the needs of the Development Property. The bituminous street wearing course shall be placed one construction season after the base course is placed.

i. The Developer warrants that all the labor and materials used in constructing the streets, curbs, and gutters, will be of good quality and in conformance of applicable federal, state and local laws and regulations.

j. The Developer shall require sidewalks to be constructed upon the individual lots of the subdivision as homes are built on the lots. Specifically, Developer shall require the sidewalk to be constructed on each lot within six (6) months of the City's final inspection of the home constructed on that lot. The Developer warrants that all the labor and materials used in constructing the sidewalks will be of good quality and in conformance of applicable federal, state and local laws and regulations.

k. Developer further guarantees that the sidewalk on each individual lot shall not have to be replaced for a period of one (1) year from the date of completion of the sidewalk's construction. If such repairs or replacements occur within the one (1) year period, one hundred (100%) percent of the cost of same shall be the responsibility of the Developer.

l. The Developer shall require the recreational trail to be graded upon the Development Property pursuant to the plans and specifications approved by the City Engineer as homes are built on the affected lots.

m. Pursuant to Ordinance §152.200 through §152.203, the Developer shall pay to the City all parkland dedication fees. The Developer dedicated land during platting of Kasson Meadows 5<sup>th</sup> Addition and was provided a credit in the amount of \$27,300 for park dedication. The credit was reduced in the amount of \$5,472 for park dedication fees from Kasson Meadows 6<sup>th</sup> Addition. Park Dedication for the Development Property is \$6,800.

n. The Developer warrants that all proposed private utility roadway crossing conduit locations will be installed before roadway construction unless shown on the construction plans.

o. The Developer shall perform testing and observation of all engineered fill outside the right-of-way and shall submit test results and observation records to the City upon completion.<sup>1</sup>

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<sup>1</sup> This information is provided to the City for informational purposes only and is not reviewed by the City.



p. The Developer must implement a soil and erosion control procedure during the course of any construction or site grading and obtain all required MPCA permits. All areas disturbed by excavation and back filling activities must be seeded or sodded immediately after the work in that area is complete. The City reserves the right to impose additional soil and erosion control requirements, if, in the reasonable opinion of the City Engineer, such requirements are necessary to control erosion.

q. The Development Project shall be subject to inspection by the City and the City Engineer or their agent or representative. The Developer shall provide the City Engineer or their agent or representative with reasonable access to the Development Property for inspection purposes. The City Engineer shall observe the construction and provide confirmation to the City that the construction is in conformance with the plans and specifications. The Developer shall comply with any corrective action ordered as a result of such inspections. Costs of such inspections shall be borne by the Developer and paid by Developer within 30 days upon receipt of invoice.

r. In the event that the City rejects as defective or unsuitable any material or labor supplied by the Developer regarding the improvements, the rejected material must be removed and replaced with approved material and the rejected labor must be done again to the specification and approval of the City and at the sole cost and expense of the Developer. If at any time the Developer, after 30 days' notice, shall fail to complete any of the improvements, or make satisfactory any of the improvements, the City may draw on the security pledged to reimburse itself for the cost of completion or making satisfactory such improvements.

s. The Developer shall set any monument that is missing or disturbed upon completion of the construction.

t. The Developer shall give prompt notice of completion of the Development Project in accordance with the project plans and specifications. The City Engineer or their agent or representative shall conduct a final inspection of the Development Project and shall immediately notify the Developer of any improvements that do not appear to conform to the approved plans and specifications. The cost of such final inspection shall be borne by the Developer and paid by Developer within 30 days upon receipt of invoice.

u. Any cost incurred by the City to remedy any non-conformity to the approved plans and specification, whether such non-conformity is discovered at the time of the final inspection or is discovered later, shall be the financial obligation of the Developer and shall be reimbursed or paid to the City within ten (10) days of receipt of a bill for such costs. Such billing shall include a detailed and itemized list of all costs incurred by the City.

v. The City may, in cases of emergencies, proceed to remedy the default by Developer without prior notice to Developer of such default. In such cases, the Developer hereby waives any and all rights to prior notice of such default.

w. The City will accept infrastructure only after all improvements set forth in this Development Agreement and in the approved plans and specifications have been inspected by the City Engineer and approved by the City Engineer and the City Council. Upon acceptance of the infrastructure, the Developer shall transfer ownership of the required improvements to the City free and clear of all liens and encumbrances.

x. The Developer and City agree that the total development related fees due to the City for the Development Property per city ordinance and after applying existing credits from Kasson Meadows 5<sup>th</sup> Addition are as follows:

Park Dedication – 6.83 net acres at \$1,000 per acre = \$6,830

Sanitary Sewer Access Charge – 6.83 net acres at \$2,000 per acre = \$13,600

Water Access Charge – 6.83 net acres at \$2,000 per acre = \$13,600

Storm Water Area Charge – 6.83 net acres at \$2,000 per acre = \$13,600

Total Development Fees for Development Property = \$47,810

Credit to be applied from Kasson Meadows 5<sup>th</sup> Addition (\$27,000) less park dedication for Kasson Meadow 6<sup>th</sup> addition \$5,472 = (\$21,828)

Total Development Fees for Development Property Due to the City = \$25,982

### **3. Ownership of Infrastructure.**

a. Absent any default of the Developer, the City shall assume ownership of the water mains, sanitary sewer mains, storm water collection mains, streets, curbs, gutters, trails, and the infrastructure related thereto to the right of way line of the public streets following approval by the City and acceptance of the infrastructure as set forth in Section 2.w.

b. Within thirty (30) days after the City's acceptance of the infrastructure, the Developer shall supply the City with three physical and one electronic copy of a complete set of As-Built plans.

### **4. Time for Performance and Multi-Phase Agreement.**

The Developer proposes and the City agrees to allow that public improvements be completed for the Development Property in Phases as generally depicted in Exhibit C. Phase 1 shall also include the completion of the 22<sup>nd</sup> Street NE Extension located between 9<sup>th</sup> Avenue NE and 11<sup>th</sup> Avenue NE. Phase 1 shall be commenced according to the terms within Section 4 of this development agreement. Phase 2 and Phase 3 shall be subject to an amendment to the development agreement upon request by the Developer. All Amendments shall be governed by this development agreement as applicable. No certificate of occupancy shall be issued for any lot within each Phase until such time as all public improvements for that Phase have been completed and the City has approved the improvements consistent with Ordinance 153.034. All Amendments shall be approved by the City Council and shall include the following:



1. updated construction plans and related cost estimates for construction of streets, water main, sanitary sewer, storm water facilities and service connections;
2. schedule of completion; and,
3. updated security consistent with the methods as outline in section 7 of this agreement.

Subject to unavoidable delay, the Developer shall diligently proceed with the completion of the Development Project. The Developer shall complete all work as required by the approved plans and specifications for 22<sup>nd</sup> Street NE Extension on or before July 15<sup>th</sup>, 2021]. The Developer shall complete all work as required by the approved plans and specifications for Kasson Meadows 7<sup>th</sup> Addition remainder of Phase 1 on or before October 1<sup>st</sup>, 2022]. An unavoidable delay is a delay which results directly from an event or circumstance a party could not reasonably anticipate and could not control, including but not limited to strikes or other labor troubles, unusually severe or prolonged bad weather, acts of God, acts of wars, terrorism, fire or other casualty or litigation, which third parties commenced against the parties, which result in an injunction or other similar judicial action, or which prevents or delays commencement or completion of the work. If unavoidable delay occurs, a party shall notify the other party in writing. If a party gives the other party written notice of unavoidable delay within five (5) business days of the onset of such event or circumstance that causes the unavoidable delay, the completion date is extended for a period of time equal to the period of unavoidable delay; provided however, in no event is the completion date to extend more than 120 days.

##### **5. Liability Insurance.**

a. Until Developer has completed all of the Development Work pursuant to the Development Project, Developer must maintain, in full force and effect, a policy or policies of Comprehensive General Liability Insurance providing for coverage on an occurrence basis with limits of liability not less than \$1,000,000.00 per occurrence. The policy or policies must name the City, the City Council members and the City's employees and agents as additional insureds and must include contractual liability coverage for Developer's indemnification obligations pursuant to Section 6. The policy or policies of Comprehensive General Liability Insurance must be written by insurance companies authorized to do business in the State of Minnesota and must be endorsed to provide that coverage provided herein may not be canceled or terminated without thirty (30) days prior written notice to the City. Prior to the commencement of any Development Work, and thereafter, at least thirty (30) days prior to the expiration of the policy as provided for herein, the Developer must provide the City with a Certificate or Certificates of Insurance evidencing Developer's compliance with the requirements of this section. Developer must provide the City with copies of the insurance policies provided for in this section upon the City's request. The insurance Developer maintains pursuant to this section is primary to any insurance the City or the City Council members, employees or agents maintain on their own behalf.

b. Until Developer has completed all of the Development Work pursuant to the Development Project, all contractors on the Development Property must also maintain, in full force and effect, a policy or policies of Comprehensive General Liability Insurance providing for coverage on an occurrence basis with limits of liability not less than \$1,000,000.00 per occurrence. The policy or policies must name the City, the City Council members and the City's employees and agents as additional insureds. The policy or policies of Comprehensive General Liability Insurance must be written by insurance companies authorized to do business in the State of Minnesota and must be endorsed to provide that coverage provided herein may not be canceled or terminated without thirty (30) days prior written notice to the City. Prior to the commencement of any contractor's work on the Development Project, and thereafter, at least thirty (30) days prior to the expiration of the policy as provided for herein, the contractor must provide the City with a Certificate or Certificates of Insurance evidencing the contractor's compliance with the requirements of this section. Contractors must provide the City with copies of the insurance policies provided for in this section upon the City's request. The insurance such contractors maintain pursuant to this section is primary to any insurance the City or the City Council members, employees or agents maintain on their own behalf.

**6. Indemnification.**

Developer must indemnify and defend the City, the City Council members and the City's employees and agents against and hold the City, the City Council members and the City employees and agents harmless from any claims, damages or liabilities of any kind arising out of, incidental to or in connection with the Development Project, whether or not due to the negligence of Developer, or any contractor or its employees, servants or agents, except for liability arising out of the sole negligence of the City or the City's employees or agents.

**7. Security.**

a. Prior to the commencement of any proposed improvements under this Agreement and pursuant to Ordinance §50.04(B)(2), Developer shall place in escrow with the City the sum of \$245,000, which is equal to 110% of the total estimated construction cost, including the City Engineer's construction observation and inspection fees. In lieu of escrowed funds, Developer may provide the City with an irrevocable letter of credit equal to the total estimated construction cost, including the City Engineer's construction observation and inspection fees, or another form of security approved by the City. The security shall guarantee the performance of this Agreement in accordance with the approved plans and specifications. The City will maintain a minimum of 10% of the security until the expiration of the one year warranty period after the City takes ownership of the infrastructure pursuant to Section 3. The Developer shall be liable to the City in the event the security pledged is inadequate to reimburse the City for its costs regarding any of the improvements.

b. At any time within forty-five (45) days in advance of the expiration of the security, if the improvements have not been completed and the security has not been extended in a manner acceptable to the City in its discretion, the City may draw on the security proceeds to



be paid over to the City. From the proceeds, the City shall be reimbursed for any attorney fees in the normal course of the development process, engineering fees, and other technical, administrative and professional assistance relating to completion of the improvements and the exercise of the City's rights hereunder, as well as any costs the City might incur in remedying the default of Developer including but not limited to, paving and contracting costs.

**8. Developer's Defaults.**

Each of the following constitute a "Developer Default":

- a. Developer's failure to perform one or more of Developer's obligations under this Development Agreement;
- b. Developer's failure to observe any restrictions set forth in this Development Agreement;
- c. Developer's failure to pay real estate taxes as they come due; or
- d. Developer's failure to take the corrective action as ordered by the City Engineer.

**9. Remedies.**

If a Developer Default occurs, the City shall give the Developer written notice of the Developer's Default at the address set forth in Section 12, and Developer fails to cure the default within ten (10) business days, the Developer is deemed to be in default under this Development Agreement and the City, may at its option, and in addition to other rights and remedies as provided by law, exercise one or more of the following remedies:

- a. The City may refuse to issue building permits for all or any of the portions of the Development Property;
- b. The City may refuse to issue Certificates of Occupancy for improvements constructed on the Development Property;
- c. The City may refuse to permit connection of the water main, sanitary sewer main, or storm water collection main to the City's systems;
- d. The City may seek injunctive relief from a Court of competent jurisdiction, which may include but not be limited to, a temporary restraining order, temporary injunction or injunction prohibiting Developer from taking an action that violates this Development Agreement, or an Order to compel Developer's specific performance of one of Developer's obligation under this Development Agreement;
- e. The City may commence an action against Developer for damages;
- f. The City may pursue any other remedy as provided by law or in equity.

If a Developer Default occurs and the City incurs any costs or expenses, including, but not limited to attorney's fees, as a result of the Developer Default, Developer must reimburse the City for such costs and expenses, including attorney's fees.

## 10. Assignment.

Developer may not assign this Development Agreement without written consent of the City, which Consent the City may grant or withhold in its sole and absolute discretion.

**11. Agreement to Run with the Land.**

The City may record this Development Agreement against the title to the Development Property. The Developer must reimburse the City for the recording fees. The terms of this Development Agreement run with the title to the Development Property and are binding upon the Developer, Developer's successors and assigns.

## 12. Notices.

All notices provided for in this Development Agreement must be in writing. The notice is effective as of the date two days after the party sending the notice deposits the notice with the United States Postal Service with all necessary postage paid for delivery to the other party via certified mail, return receipt requested, at the address set forth below. If a party delivers a notice provided for in this Development Agreement in a different manner than described in the preceding sentence, notice is effective as of the date the other party actually received the notice.

To the City: City of Kasson  
401 5<sup>th</sup> Street SE  
Kasson, MN 55944

To Developer: Kasson Meadows, LLC  
2510 Schuster Ln NW  
Rochester, MN 55901

### 13. Miscellaneous

a. No council member or employee of the City is personally liable to Developer for or as a result of the City's failure to perform its obligation under this Development Agreement or to abide by the provisions of the City Ordinances.

b. Third parties have no recourse against Developer or the City under this Development Agreement.

c. If any portion, section, subsection, sentence, clause or paragraph of this Development Agreement is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Development Agreement.

d. The parties may execute separate counterparts of this Development Agreement and exchange duplicate, original signature pages with one another. Each fully executed original assembled from such separately executed signature pages constitutes an original.

e. This Development Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.



f. Developer's performance of Developer's obligations with the time periods established in this Development Agreement is a material term of this Development Agreement.

g. This Development Agreement shall be effective as of the date the last party to execute this Development Agreement executes this Development Agreement (the "Effective Date").

h. This Development Agreement, and the Exhibits attached hereto, constitute the complete, final and exclusive embodiment of the agreement between the Parties. This Development Agreement supersedes any other such promises, warranties, or representations and any other written or oral statement concerning the Parties' rights to any compensation, equity, legal right, or benefit relating to this Development Agreement

i. No amendment or variation to the terms of this Development Agreement shall be valid unless made in writing and signed by the Parties.

j. No action or inaction by the City constitutes a waiver or consent to an amendment of any provision of this Development Agreement. To be binding on the City, an amendment or waiver must be in writing and signed by an authorized representative of the City. The City's failure to take legal action to enforce this Development Agreement is not a waiver of the City's right to take future legal action or any other action permitted by law or equity to enforce the terms of this Development Agreement.

k. Titles or captions of paragraphs in this Development Agreement are inserted only as a matter of convenience and for reference and in no way define, extend or describe the scope of this Development Agreement or the intent or meaning of any provision hereof.

**CITY OF KASSON**

**BY:** \_\_\_\_\_  
**Its Mayor**

**DATED:** \_\_\_\_\_, 2021

**BY:** \_\_\_\_\_  
**Its City Administrator**

**DATED:** \_\_\_\_\_, 2021

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DODGE        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Chris McKern and Timothy Ibisch, the Mayor and City Administrator of the City of Kasson, a municipal corporation under the laws of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Signature of Notary Public

Kasson Meadows, LLC

\_\_\_\_\_  
Scott Lampland

DATED: \_\_\_\_\_, 2021

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF DODGE        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Scott Lampland, the [TITLE] of Kasson Meadows LLC, on behalf of the corporation.

\_\_\_\_\_  
Signature of Notary Public

**This Document was Drafted By:**

Melanie J. Leth  
Weber, Leth & Woessner, PLC  
P.O. Box 130  
Dodge Center, MN 55927  
(507) 374-6355

**EXHIBIT A**  
**Kasson Meadows 7<sup>th</sup> Addition Subdivision**  
**Development Agreement**

**LEGAL DESCRIPTION**

DRAFT

**EXHIBIT B**  
**Kasson Meadows 7<sup>th</sup> Addition Subdivision**  
**Development Agreement**

[Approved construction plans and specifications need to be attached]

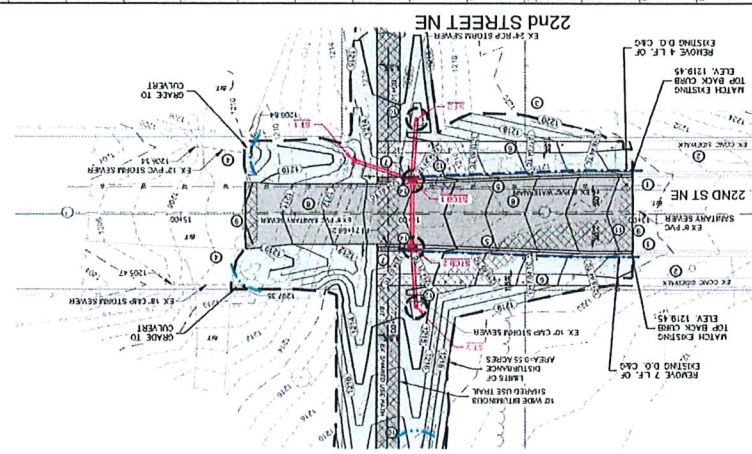
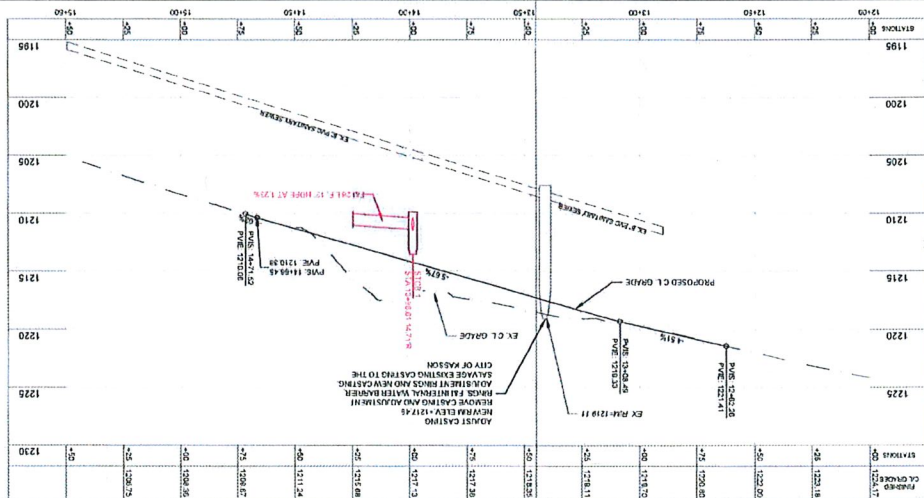
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**EXHIBIT C**  
**Kasson Meadows 7<sup>th</sup> Addition Subdivision**  
**Development Agreement**

[Approved Phasing Plan needs to be attached]

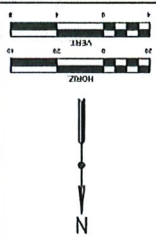
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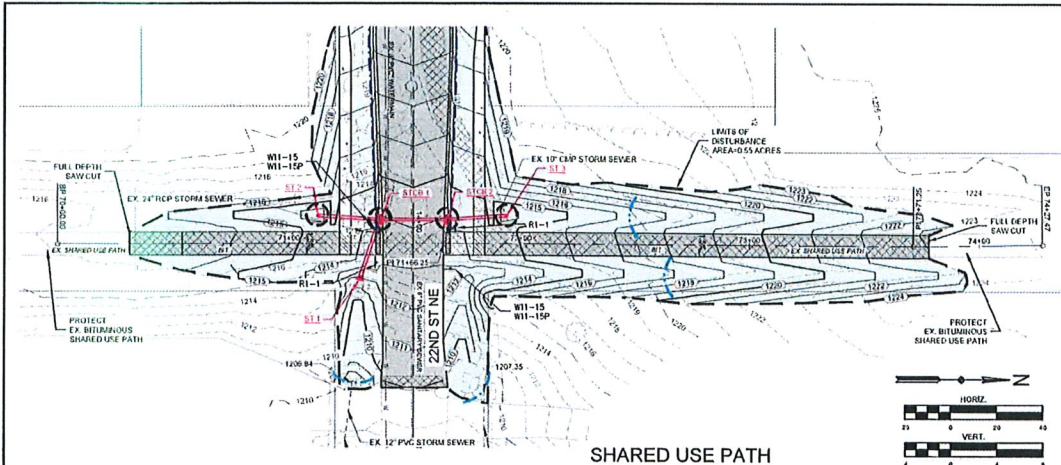
NOTES:



PLAN AND PROFILE  
22ND STREET NE EXTENSION  
KASSON, MN  
2021

REVIEWS	
NO	DATE
Approved by: <i>[Signature]</i> Date: <i>5/19/81</i>	
Approved by: <i>[Signature]</i> Date: <i>5/19/81</i>	

**whks**





(CITY OF KASSON LETTERHEAD)

\_\_\_\_\_, 2020

Minnesota Housing Finance Agency  
400 Wabasha Street North  
St. Paul, Minnesota 55102  
Attention: Multifamily Underwriting

**RE:     Housing Tax Credit Program  
          Kasson, Minnesota**

Dear Multifamily Development:

Our EDA and City Council are a dedicated group that acts as a professional advocate for our community. Adding to the outstanding qualities of our community, we aim to make Kasson a more livable place by creating a welcoming environment for business and residents. With our small-town community charm, excellent schools, beautiful neighborhoods and short commutes to the region's largest employers, Kasson is a great place to live and do business.

Kasson is a growing community in our region and housing is an integral component to Kasson's landscape. One of our community goals is to promote the development and preservation of quality housing that is affordable to all incomes and at all stages of the life cycle. As a developing community, Kasson has great opportunity to provide housing to meet the needs and life-cycle housing choices of all its current and future residents. Lifecycle housing refers to the mix of housing types that meet the housing demands of individuals and families throughout their lives, such as single-family detached homes, townhomes, apartments and senior housing.

The cost of housing, specifically rental rates and home prices, is an increasing concern throughout our region. Concern over the rising costs of housing affects businesses and our residents. To promote and participate in multifamily housing opportunities, the City is willing to provide incentives for developments such as this proposed housing development in our community.

As a cost reduction measure to endorse this project, the City proposes significant local, financial assistance as part of its participation and endorsement. If the project is selected for funding, the City will:

- Donate the Project Site which has participation equal to \$\_\_\_\_\_ based on an appraisal; and
- Waive Project Specific Assessments for the extension of public utilities to the Project Site equal to \$\_\_\_\_\_ based on the City's Engineers estimate.

This project will meet locally identified housing needs and that the proposed housing is in short supply in the local housing market. This need is evidenced by the high demand at other affordable properties in our community and the lack of supply of rental housing opportunities.

We respectfully request funding approval for this needed development in the City of Kasson.

Sincerely,

Chris McKern  
Mayor

## REQUEST FOR COUNCIL ACTION

**Meeting**

**Date:** May 26, 2020

AGENDA SECTION: New Business	ORIGINATING DEPT: Public Works
ITEM DESCRIPTION: Roofing Inspection Agreement	PREPARED BY: City Administrator

**COUNCIL ACTION REQUESTED:**

Please review the proposal for roof maintenance and if suitable, we are seeking approval. This will cover preventative maintenance. Limited budget will be authorized but larger expenditure will require prior authorization, intended to prevent greater issues in the future and will be generally part of a regular budget appropriation.



Date: 5-10-2021

To: City of Kasson Public Works

Attn: Charlie Bradford

Re: Annual Roof Inspections

Dear: Mr. Bradford

Thank you for choosing Schwickert's Tecta America, LLC for your commercial roofing needs. The benefits of Roof Management stem from two principle areas. Maintaining the roof over time, through an annual maintenance program, helps avoid future financial emergency repairs and unplanned downtime. In addition, ongoing maintenance helps prolong the life of the roof, thus delaying the capital expenditure and improving return on investment.

The Tecta Tracker Planned Maintenance program is designed to take the worry out of roof maintenance, while protecting and prolonging the life of your roof by:

- Providing predictable roofing expenses and lowering overall repair costs
- Helping you budget for capital spending and predict roof replacements
- Keeping your warranties valid and your roofs performing at their best
- Helps avoid unexpected budget and roofing issues, facility downtime and premature roof failure or replacement
- Tailoring a program to specifically fit your roof and your business

Benefits included with the Tecta Tracker Planned Maintenance program include:

- A 5% discount on planned maintenance billing rates
- One low rate that covers emergency weekend and holiday repairs
- Priority status for service calls
- Fewer roof leak service calls
- Comply with insurance companies requirement of annual roof inspections, if applicable
- Comply with roof manufacturers requirements to maintain warranty.

Thank you for your time and this opportunity to work together. We look forward to working with you now and in the future!

Sincerely,

**Daniel Schefers**  
**Roofing Services Manager**  
**Schwickert's Tecta America, LLC**

## **TECTA AMERICA'S ROOF HOUSEKEEPING, MAINTENANCE REPAIR AND TECTA CARE AGREEMENT**

WHEREAS, Schwickert's Tecta America LLC., herein called "Contractor" and "Customer", herein called "Owner" enter into an Agreement which defines and allocates responsibility for accomplishing various tasks intended to enable Owner's roof(s) located at (See Attachment #1) to remain in a watertight condition subject to the terms and conditions of this agreement.

NOW, THEREFORE, Contractor and Owner hereby agree as follows:

1. Definitions. For purposes of this Agreement, the terms "housekeeping", "maintenance" and "repair" shall have the following meanings:
  - a. Housekeeping - shall consist of those routine tasks which need to be done so that the roofing system may drain freely and function as designed, e.g., to clear debris from gutters, interior drains and through-wall scuppers.
  - b. Maintenance - periodic work intended to protect the roofing system from premature deterioration or failure. Such work includes: any required re-caulking on metal flashings and pitch pans; restoration of wind scoured ballast; topping off of pitch pans, checking and securement of clamping rings on drains; and application of protective coatings on base flashings and to membrane.
  - c. Repair - work needed to correct deficiencies or defects in the roofing system or damage to the roofing system in order to bring the roofing system back to a watertight condition.
  - d. TectaTracker – online roof asset management program with an assigned username and password.
2. During the term of this Agreement, Owner shall have the primary responsibility to perform housekeeping tasks with respect to the roofing system. Contractor shall make annual visual inspections of the roof and contiguous construction that may affect roof performance. Contractor shall submit a written report of each such inspection to Owner, stating the general condition of the roof system, including the membrane, details, fasteners, flashings, drains, vents, skylights and any other components related to the roof system. In its inspection report, Contractor shall recommend to Owner any repair work which should be performed in order to preserve and protect the roofing system. Owner shall pay contractor a fee not to exceed (See Attachment #1) for each annual inspection.
3. In the event of leaks in the roof system, Contractor shall make temporary repairs as required to stop such leaks as soon as reasonably possible after receiving notification from Owner. Temporary repairs shall be paid for on the basis of Contractor's direct and indirect costs, including a reasonable allowance for overhead and profit. The Owner will be billed for all materials used and only for those hours used above and beyond those included in this agreement. Contractor shall furnish Owner with its estimate of the cost to make permanent repairs as well as an estimate of the cost to accomplish any maintenance work recommended by Contractor. Owner shall pay all billings by Contractor for maintenance work, temporary repairs and/or permanent repairs performed by Contractor, as authorized by Owner, on the 10th day of the month following presentation.
4. This agreement shall continue for a term of one year and thereafter from year to year. Either party may terminate this Agreement effective as of any annual anniversary of the date of execution hereof upon notification in writing to the other party thirty days prior to such anniversary date. Prices will not be raised for the following renewal periods without notifying Owner. A new agreement will then be made unless renewed upon such terms and conditions as the parties may agree.

### **5. TECTA TRACKER PROGRAM HIGHLIGHTS**

During the inspection:

- Visual survey of the exterior condition of the roof and related sheet metal work.



- Removal of debris from the roof surface, gutters, interior drains and through-wall scuppers.
- Minor temporary caulking of open metal flashing (up to 10 LF), temporarily seal suspect mechanical and secure drain clamps and vent pipe clamping rings.
- Photos of all defects, assessment of roof life based on industry RAP score, updated maps of roof.

After the inspection:

- Delivery and review of annual report which includes: outline of work performed, repair recommendations and pricing, general condition statement, estimated roof life, updated roof maps and related photographs, roof replacement budgeting estimates.
- Access to web based program which includes all of the above information and on-going history of roof repairs and service calls.
- 24/7 emergency leak repair service performed at discounted flat rate pricing (no overtime or premium time).
- Disaster response – Tornadoes, Hail, Snow Removal (we have 40+ operating units we can pull from for immediate response).
- Certified Applicator for most roofing manufacturers.
- Warranty protection – we are authorized by most of major manufacturers for warranty service, we will not void any existing warranties.

### **PRE-LIEN NOTICE OF PRIME CONTRACTOR**

(To be Attached as Rider to all Prime Contracts for Work on Private Property)

**(a) ANY PERSON OR PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTIONS.**

**(b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE, OR WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.”**

### **RECEIPT**

**Receipt of this Pre-Lien Notice, and a copy hereof, is hereby acknowledged by**

SUBMITTED BY  
SCHWICKERT 'S TECTA AMERICA LLC.

ACCEPTED BY  
OWNER:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

Daniel Schefers

(Print Name)

Title: Roofing Services Manager

\_\_\_\_\_  
(Print Name)

Title: \_\_\_\_\_

Date: 05-10-2021

Date: \_\_\_\_\_



ATTACHMENT #1  
TECTA AMERICA'S ROOF HOUSEKEEPING, MAINTENANCE & REPAIR  
AND TECTATRACKER AGREEMENT  
Roof Inspection for "Customer"

This agreement includes the following facilities and roof areas:

- |   |          |
|---|----------|
| • Kasson Public Works: 1401 16 <sup>th</sup> ST. NE. Kasson, MN. 55944:<br>4 Buildings on site: Approx. 38,600 SFQT.          | \$920.00 |
| • Kasson Waste Water Treatment: 1403 16 <sup>th</sup> ST. NE., Kasson, MN. 55944<br>5 buildings on site: Approx. 11,870 SQFT. | \$700.00 |
| • Kasson Liquor Store: 30 West Main St. Kasson, MN. 55944:<br>1 building on site: Approx. 3,500 SQFT.                         | \$360.00 |
| • Kasson Police Dept.: 19 west Main St. Kasson, MN. 55944:<br>1 Building on Site: Approx. 4,900 SQFT.                         | \$400.00 |
| • Kasson Aquatic Center: 201 7 <sup>th</sup> St. NW. Kasson, MN. 55944:<br>1 Building on site: Approx. 6,200 SQFT             | \$360.00 |
| • Kasson City Admin: 401 5 <sup>th</sup> ST SE, Kasson, MN. 559044<br>1 Building on site: Approx. 9,000 SQFT                  | \$360.00 |

**Total Annual Cost of Tecta Tracker Inspection: \$ 3,100.00 (Three Thousand, One Hundred and NO/100's)**

- Option: Include a not to exceed amount of \$500.00 per facility to perform additional emergency repairs found while on site during the inspection.

Initial to accept the above option. \_\_\_\_\_





To: City Council

Date: 5/26/2021

**Agenda Heading:** City Administrator's Report

“Nothing in life is to be feared, it is only to be understood.  
Now is the time to understand more, so that we may fear less.”

--Marie Curie

- **Regular Legislative Session Concluded with Work Unfinished.** Legislative leaders and Gov. Tim Walz reached a global budget agreement on May 17. But it came less than 24 hours before the Legislature's constitutionally mandated adjournment, which was too late for conference committees to wrap up their work on time. The budget agreement spends roughly \$51.2 billion over the 2022-2023 fiscal biennium, a \$1.3 billion increase over base, but it does not contain details about how the money would be spent. The agreement is purely around the budget and does not address policy provisions.

Legislative leaders and Gov. Walz have not said whether a bonding bill will be considered during a special session. Although bonding bills are not always included in odd-year sessions, both the House and Senate assembled bonding bills during the regular session, but neither body took floor votes on a package. We expect to submit a regular bonding request for the flood control project in the Southwest part of Kasson for 2022.

- **Canisteo Orderly Annexation Agreement.** Earlier this afternoon, the Fire Chief and I met with representatives of Canisteo Township to discuss the new Fire tank and orderly annexation. We currently do not have an agreement with the Township for growth on the southside of Kasson and it seems prudent to pursue establishing that before it becomes critical. I have included a draft agreement in the Council packet for your review and feedback. Please let me know if you have questions.
- **Kasson Meadows Development Agreement.** Included in this meeting packet is information related to the Kasson Meadows development extension. Staff have been working to facilitate this phase and have tried to incorporate many of the comments received. This also includes the 10<sup>th</sup> Ave reconstruction and 22<sup>nd</sup> St. connection. The Council will be asked to review and progress on this item tonight. Notwithstanding the desired results, some sort of mitigation will be necessary in order for the reconstruction to proceed. Otherwise, the 10<sup>th</sup> Ave project is not feasible. Additionally, access issues on the west and north will be handled as development progresses and handling those would be premature. The Planning Commission did review the Comp Plan transportation mapping during their last meeting and will be continuing to promulgate new direction throughout the summer meetings.

- **American Rescue Plan Act.** Included in your packet is information regarding funds the City will be receiving over the next 2 years. The Interim Final Rule provides a framework for a broad array of eligible uses of the funds. Categories of eligible uses include: responding to the public health emergency, responding to the negative economic impacts of the pandemic, premium pay for essential workers, replacement of revenue lost due to the pandemic that would be used to provide government services, and necessary investments in water, sewer, and broadband infrastructure.

I think that it is likely that these funds will be spread throughout the various uses and may be used to help pay for some previously planned projects including the new Water Tower and paying down some lost revenue. More discussion will follow as everything is fleshed out. Local governments designated as non-entitlement units are eligible to receive Coronavirus State and Local Fiscal Recovery Funds, as provided in ARPA. However, we will receive this funding via the state through MMB.

- **CMPAS meeting.** CMPAS held its monthly meeting in Windom. We reviewed a number of items including the issues with Distributed Energy. So far this year Kasson has received 3 solar requests and that number seems likely to rise. The P&Z will be having a public hearing on revised solar policies later in June. We have to get on top of this before it becomes a problem. Right now, we are looking at restricting ground mounted solar and possibly requiring a CUP so that the public gets a chance to weigh in on the project. Jay Anderson, the new CEO, was in attendance and I was able to invite him to join the Kasson Council meeting later this year to discuss out utility and some potentially exciting projects that are coming up. Finally, we included a review of legislative changes including the first new Energy Policy in MN since 2013. I have included the update in your packet for review.
- **Fire Department/Park/Street new Hires.** I participated in 8 employee interviews last week. 3 were for the vacant Streets/Parks position and 5 were for the Fire Department. We had some decent applicants for the Streets/Park position and after scoring preliminarily offered the position pending Council approval. Info is available tonight, as the employee needed to give his notice to his employer and asked that it be kept private prior to informing him. Also, we ran through a good process at the Fire Department last week, and a number of applicants were reviewed. After scoring, Chief Fitch has to forward over the recommendations. It is getting harder to get applicants and it is a testament to the quality of the department that we had the applicants we did. Right now, departments should be at full strength except for the Police, and Chief Hanson should have some recommendations on that front soon.
- **Serve on the LMC Board of Directors.** The application process to serve on the League of Minnesota Cities (LMC) Board of Directors is now open. Board meetings are typically held at the League building in St. Paul during the day on the third Thursday of the month. In addition, a two-day board retreat is typically held in mid to late September. The League reimburses all direct meeting expenses of Board members. Mileage is reimbursed at the federally approved rate. A Nominating Committee appointed by League President Brad Wiersum will interview candidates on June 22 and June 23. The nominated candidates will be presented to the League's membership for final consideration at the virtual annual conference/business meeting on June 24.



## **Meetings and Events Attended or Planned to attend**

April 27	Land and Facilities Meeting-KM Schools Fire Relief
April 28	City Council Department Heads
April 29	Arbor Day Celebration
May 3	Tantalus Meeting Township Board
May 4	EDA Board
May 5	LMC Leadership Meeting RFP-Billing review EMS Committee
May 6	City Engineer Open House-10 <sup>th</sup> Ave ICS Project Update City Attorney
May 7	EMS meeting with Dodge Center
May 10	Planning and Zoning
May 11	Annexation Completion
May 12	Chamber of Commerce Worksession Regular Council Meeting
May 13	City Engineer Technical Review
May 14	Solar Energy Discussion
May 17	Tantalus Update PW Interviews
May 18	MCMA Member Connect PW Interviews Fire Interviews
May 19	CMPAS Fire Interviews
May 20	City Engineer Technical Review
May 21	Earmark packet submittal
May 24	Unemployment Hearing-Kris Anderson
May 25	Dodge County TZD
May 26	Canisteo Township Meeting City Council

**5/18/21 – City of Kasson**

**Regarding: Covid policy (updates)**

**The City of Kasson has and will continue to follow St. of MN guidelines regarding Covid preparedness and mitigation efforts. Please refer to prior documents sent out by the City Administrator stating expectations. Ask your Dept. Head for clarification if necessary and contact them with any concerns you may have.**

**As of 5/18/21 - Gov. Walz has lifted the mask mandate and anyone who is fully vaccinated — people who are two weeks out from their second shot if they got a Moderna or Pfizer vaccine, or their only shot if they got a Johnson & Johnson vaccine — legally will no longer have to wear masks outside or inside, under most circumstances.**

**The City understands and fully supports community members and business owners who may still desire and require masks when we're entering their homes or businesses. The expectation is that staff will comply with customer requests and continue the high level of service expected of and provided by City Staff.**

**Thank You**

**DEPARTMENT OF THE TREASURY**

**31 CFR Part 35**

**RIN 1505-AC77**

**Coronavirus State and Local Fiscal Recovery Funds**

**AGENCY:** Department of the Treasury

**ACTION:** Interim Final Rule

**SUMMARY:** The Secretary of the Treasury (Treasury) is issuing this Interim Final Rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

**DATES:** *Effective date:* The provisions in this Interim Final Rule are effective [\_\_\_\_], 2021.

*Comment date:* Comments must be received on or before [\_\_\_\_], 2021.

**ADDRESSES:** Please submit comments electronically through the Federal eRulemaking Portal:

<http://www.regulations.gov> [(if hard copy, preferably an original and two copies to the [Office of the Undersecretary for Domestic Finance], Attention: [Name], Room [#####] MT, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically.] All comments should be captioned with “Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments.” Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary (no more than [#] single-spaced pages).] In general, comments received will be posted on <http://www.regulations.gov> without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public

disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**FOR FURTHER INFORMATION CONTACT:**

[Name], [Title], [Office], 202-622-[#####], or [Name], [Title], [Office], 202-622-[#####].

**SUPPLEMENTARY INFORMATION:**

I. Background Information

A. Overview

Since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans.<sup>1</sup> The disease has impacted every part of life: as social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.<sup>2</sup> As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.<sup>3</sup> During this time, a significant share of households have faced food and housing insecurity.<sup>4</sup> Economic disruptions impaired the flow of credit to households, State and

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<sup>1</sup> Centers for Disease Control and Prevention, COVID Data Tracker, <http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home> (last visited May 8, 2021).

<sup>2</sup> U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UNRATE>, May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNU02000000>, May 3, 2021.

<sup>3</sup> U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS>, May 7, 2021.

<sup>4</sup> Nirmita Panchal et al., The Implications of COVID-19 for Mental Health and Substance Abuse (Feb. 10, 2021), <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental->

local governments, and businesses of all sizes.<sup>5</sup> As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.<sup>6</sup>

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of COVID-19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID-19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance;

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health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis; U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, <https://www.census.gov/programs-surveys/household-pulse-survey.html> (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic – United States, January 1 – October 17, 2020, *Morb. Mortal. Wkly. Rep.* 69(45):1675-80 (Nov. 13, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm>.

<sup>5</sup> Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), <https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm>.

<sup>6</sup> Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/>.

rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.<sup>7</sup> Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.<sup>8</sup> These cuts to State, local, and Tribal government workforces come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.<sup>9</sup>

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<sup>7</sup> Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), <https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities>.

<sup>8</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

<sup>9</sup> Tracy Gordon, State and Local Budgets and the Great Recession, Brookings Institution (Dec. 31, 2012), <http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession>.

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,<sup>10</sup> as well as higher rates of unemployment and lack of basic necessities like food and housing.<sup>11</sup> Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID-19 health outcomes.<sup>12</sup> Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.<sup>13</sup> Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid

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<sup>10</sup> Sebastian D. Romano et al., Trends in Racial and Ethnic Disparities in COVID-19 Hospitalizations, by Region – United States, March-December 2020, MMWR Morb Mortal Wkly Rep 2021, 70:560-565 (Apr. 16, 2021), [https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s\\_cid=mm7015e2\\_w](https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w).

<sup>11</sup> Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and> (last visited May 4, 2021).

<sup>12</sup> Lisa R. Fortuna et al., Inequity and the Disproportionate Impact of COVID-19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response, Psychological Trauma Vol. 12(5):443-45 (2020), *available at* <https://psycnet.apa.org/fulltext/2020-37320-001.pdf>.

<sup>13</sup> Emily Vogles et al., 53% of Americans Say the Internet Has Been Essential During the COVID-19 Outbreak (Apr. 30, 2020), <https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/>.

learning models.<sup>14</sup> Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion.<sup>15</sup>

## B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.<sup>16</sup> Section 9901 of ARPA amended Title VI of the Social Security Act<sup>17</sup> (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).<sup>18</sup> The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID-19 and in their efforts to contain COVID-19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).<sup>19</sup>

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<sup>14</sup> Emma Dorn et al., COVID-19 and student learning in the United States: The hurt could last a lifetime (June 2020), [https://webtest.childrensinstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States\\_FINAL.pdf](https://webtest.childrensinstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf); Andrew Bacher-Hicks et al., Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time, J. of Public Econ. Vol. 193(C) (July 2020), *available at* <https://www.nber.org/papers/w27555>.

<sup>15</sup> *See, e.g.*, Tyler Atkinson & Alex Richter, Pandemic Disproportionately Affects Women, Minority Labor Force Participation, <https://www.dallasfed.org/research/economics/2020/1110> (last visited May 9, 2021); Jared Bernstein & Janelle Jones, The Impact of the COVID19 Recession on the Jobs and Incomes of Persons of Color, [https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud\\_0.pdf](https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf) (last visited May 9, 2021).

<sup>16</sup> American Rescue Plan Act of 2021 (ARPA) § 9901, Pub. L. No. 117-2, codified at 42 U.S.C. § 802 *et seq.*

<sup>17</sup> 42 U.S.C. 801 *et seq.*

<sup>18</sup> §§ 602, 603 of the Act.

<sup>19</sup> The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (2020).



Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties.

Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include:

“directly or indirectly offset[ing] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation.”

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID-19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID-19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The Interim Final Rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They

also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID-19 public health emergency on certain populations, geographies, and economic sectors. The Interim Final Rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the Interim Final Rule and, to better facilitate public comment, has included specific questions throughout this Supplementary Information. Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this Interim Final Rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the Interim Final Rule establishes certain regular reporting requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

## II. Eligible Uses

### A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID-19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID-19 or its negative economic impacts. Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID-19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.<sup>20</sup>

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID-19 public health emergency. Assessing whether a program or service “responds to” the COVID-19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID-19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID-19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency.

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<sup>20</sup> §§602(c)(1)(A), 603(c)(1)(A) of the Act.

The Interim Final Rule implements these provisions by identifying a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID-19 public health emergency, the Interim Final Rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID-19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

## 1. Responding to COVID-19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.<sup>21</sup> By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.<sup>22</sup> This wave brought acute strain on health care and public health systems: hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID-19 waves that brought many similar challenges: the second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.<sup>23</sup> By early May 2021, the United States has experienced over 32 million confirmed COVID-19 cases and over 575,000 deaths.<sup>24</sup>

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<sup>21</sup> Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), <https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html>.

<sup>22</sup> Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID-19 in the United States, February 24 – April 21, 2021, *MMWR Morb Mortal Wkly Rep* 2021, 69(18):551-56 (May 8, 2021), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm>.

<sup>23</sup> Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID-19 Cases and Deaths in the US Reported to CDC, by State/Territory, [https://covid.cdc.gov/covid-data-tracker/#trends\\_dailytrendscases](https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases) (last visited May 8, 2021).

<sup>24</sup> *Id.*

Mitigating the impact of COVID-19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID-19 testing, major expansions in contact tracing, support for individuals in isolation or quarantine, enforcement of public health orders, new public communication efforts, public health surveillance (e.g., monitoring case trends and genomic sequencing for variants), enhancement to health care capacity through alternative care facilities, and enhancement of public health data systems to meet new demands or scaling needs. State, local, and Tribal governments have also supported major efforts to prevent COVID-19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.<sup>25</sup>

The need for public health measures to respond to COVID-19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for

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<sup>25</sup> Centers for Disease Control and Prevention, COVID Data Tracker: COVID-19 Vaccinations in the United States, <https://covid.cdc.gov/covid-data-tracker/#vaccinations> (last visited May 8, 2021).

youths. This also includes monitoring the spread of COVID-19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID-19 trends to understand continued risks to the United States. Finally, the long-term health impacts of COVID-19 will continue to require a public health response, including medical services for individuals with “long COVID,” and research to understand how COVID-19 impacts future health needs and raises risks for the millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID-19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.<sup>26</sup> The proportion of children’s emergency department visits related to mental health has also risen noticeably.<sup>27</sup> Similarly, rates of substance misuse and overdose deaths have spiked: preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.<sup>28</sup> Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access services.<sup>29</sup>

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<sup>26</sup> Panchal, *supra* note 4; Mark É. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID-19 Pandemic— United States, June 24–30 2020, *Morb. Mortal. Wkly. Rep.* 69(32):1049–57 (Aug. 14, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>.

<sup>27</sup> Leeb, *supra* note 4.

<sup>28</sup> Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm> (last visited May 8, 2021).

<sup>29</sup> Megan L. Evans, et al., A Pandemic within a Pandemic – Intimate Partner Violence during Covid-19, *N. Engl. J. Med.* 383:2302–04 (Dec. 10, 2020), *available at* <https://www.nejm.org/doi/full/10.1056/NEJMp2024046>.



Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.<sup>30</sup>

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.<sup>31</sup> The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID-19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.<sup>32</sup>

Similarly, low-income and socially vulnerable communities have seen the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000, as of May 2021.<sup>33</sup> Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national

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<sup>30</sup> Jeanne M. Santoli et al., Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration – United States, *Morb. Mortal. Wkly. Rep.* 69(19):591-93 (May 8, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm>; Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID-19 Pandemic – New York City, March 1-June 27, 2020, *Morb. Mortal. Wkly. Rep.* 69(30):999-1001 (Jul. 31 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm>.

<sup>31</sup> Office of the White House, National Strategy for the COVID-19 Response and Pandemic Preparedness (Jan. 21, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf>.

<sup>32</sup> In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID-19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. *See Romano, supra* note 10.

<sup>33</sup> Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by County-level Population Factors, [https://covid.cdc.gov/covid-data-tracker/#pop-factors\\_totaldeaths](https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths) (last visited May 8, 2021).

average, with 211 deaths per 100,000 as of May 2021.<sup>34</sup> Over the last year, Native Americans have experienced more than one and a half times the rate of COVID-19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.<sup>35</sup> Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID-19 mortality.<sup>36</sup>

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.<sup>37</sup> Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while

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<sup>34</sup> The CDC's Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID-19 Cases and Deaths in the United States, by Social Vulnerability Index, [https://covid.cdc.gov/covid-data-tracker/#pop-factors\\_totaldeaths](https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths) (last visited May 8, 2021).

<sup>35</sup> Centers for Disease Control and Prevention, Risk for COVID-19 Infection, Hospitalization, and Death By Race/Ethnicity, <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html> (last visited Apr. 26, 2021).

<sup>36</sup> See, e.g., Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID-19 (Dec. 10, 2020), <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html> (last visited Apr. 26, 2021).

<sup>37</sup> Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID-19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3695249](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249); Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, JAMA 324(4):388-90 (2020), available at <https://jamanetwork.com/journals/jama/fullarticle/2767630>.

screenings for elevated blood lead levels declined during the pandemic.<sup>38</sup> The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.<sup>39</sup>

*Eligible Public Health Uses.* The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID-19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the Interim Final Rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID-19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID-19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID-19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

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<sup>38</sup> See, e.g., Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID-19 – 34 Jurisdictions, January-May 2020, *Morb. Mort. Wkly. Rep.* 70(5):155-61 (Feb. 5, 2021), <https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm>; Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID-19: Protecting Vulnerable Communities During a Pandemic, *Health Affairs Blog* (Mar. 19, 2020), <https://www.healthaffairs.org/doi/10.1377/hblog20200319.757883/full/>.

<sup>39</sup> See, e.g., Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra* note 38; Nathaniel M. Lewis et al., Disparities in COVID-19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation – Utah, March 3-July 9, 2020, *Morb. Mort. Wkly. Rep.* 69(38):1369-73 (Sept. 25, 2020), <https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm>.

The Interim Final Rule identifies a non-exclusive list of uses that address the effects of the COVID-19 public health emergency, including:

- *COVID-19 Mitigation and Prevention.* A broad range of services and programming are needed to contain COVID-19. Mitigation and prevention efforts for COVID-19 include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools;<sup>40</sup> ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.<sup>41</sup> They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations

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<sup>40</sup> This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational Strategy for K-12 Schools through Phased Prevention, *available at* <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html>.

<sup>41</sup> Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under the ARPA, including those not explicitly listed here (e.g., telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions), with the following two exceptions: 1) the standard for eligibility of public health and safety payrolls has been updated (see details on page 20) and 2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service on page 44).

to public buildings to implement COVID-19 mitigation tactics. These COVID-19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.<sup>42</sup>

- *Medical Expenses.* The COVID-19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID-19 variants has raised new risks and genomic surveillance needs.<sup>43</sup> Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID-19, or for post-intensive care syndrome.<sup>44</sup> State and local governments may need to continue to provide care and services to address these near- and longer-term needs.<sup>45</sup>
- *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or

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<sup>42</sup> Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 Fed. Reg. 4182 (Jan. 15, 2021), *available at* [https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register\\_2021-00827.pdf](https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf).

<sup>43</sup> Centers for Disease Control and Prevention, *supra* note 24.

<sup>44</sup> Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html> (last visited Apr. 26, 2021).

<sup>45</sup> Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine.

- *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency.<sup>46</sup> Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the COVID-19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID-19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to

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<sup>46</sup> In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

the COVID-19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID-19 response. Recipients need not routinely track staff hours.

- *Expenses to Improve the Design and Execution of Health and Public Health Programs.*

State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID-19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis.

*Eligible Uses to Address Disparities in Public Health Outcomes.* In addition, in recognition of the disproportionate impacts of the COVID-19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the Interim Final Rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),<sup>47</sup> to families living in QCTs, or when these services are provided

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<sup>47</sup> Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.



by Tribal governments.<sup>48</sup> Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:

- Funding community health workers to help community members access health services and services to address the social determinants of health;<sup>49</sup>
- Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;

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<sup>48</sup> U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, <https://www.huduser.gov/portal/datasets/qct.html> (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), <https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf> (last visited Apr. 26, 2021).

<sup>49</sup> The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. *See, e.g.*, U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, <https://health.gov/healthypeople/objectives-and-data/social-determinants-health> (last visited Apr. 26, 2021).

- Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;
- Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and
- Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.<sup>50</sup>

## 2. Responding to Negative Economic Impacts

*Impacts on Households and Individuals.* The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.<sup>51</sup> Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,<sup>52</sup> and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.<sup>53</sup>

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United

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<sup>50</sup> National Commission on COVID-19 and Criminal Justice, Impact Report: COVID-19 and Crime (Jan. 31, 2021), <https://covid19.counciloncj.org/2021/01/31/impact-report-covid-19-and-crime-3/> (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID-19 pandemic, *Am. J. of Emerg. Med.* 38(12): 2753-55 (Dec. 1, 2020), *available at* [https://www.ajemjournal.com/article/S0735-6757\(20\)30307-7/fulltext](https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext) (showing a spike in domestic violence).

<sup>51</sup> U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/PAYEMS> (last visited May 8, 2021).

<sup>52</sup> *Id.*

<sup>53</sup> U.S. Bureau of Labor Statistics, Civilian Labor Force Level [CLF16OV], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CLF16OV> (last visited May 8, 2021).

States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.<sup>54</sup> Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.<sup>55</sup> A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.<sup>56</sup> Over the course of the pandemic, inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.<sup>57</sup> Women of color have been hit especially hard: the

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<sup>54</sup> U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), <https://www.bls.gov/news.release/empsit.t01.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea04.htm> (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), <https://www.bls.gov/web/empsit/cpseea05.htm> (last visited May 8, 2021).

<sup>55</sup> Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), <https://files.epi.org/pdf/219418.pdf>. *See also*, Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID-19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), <https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf>.

<sup>56</sup> Center on Budget and Policy Priorities, Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and> (last visited May 8, 2021).

<sup>57</sup> Women have carried a larger share of childcare responsibilities than men during the COVID-19 crisis. *See, e.g.*, Gema Zamarró & María J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID-19, *Rev. Econ. Household* 19:11-40 (2021), *available at* <https://link.springer.com/article/10.1007/s11150-020-09534-7>; Titan Alon et al., The Impact of COVID-19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), *available at* <https://www.nber.org/papers/w26947>.

labor force participation rate for Black women has fallen by 3.2 percentage points<sup>58</sup> during the pandemic as compared to 1.0 percentage points for Black men<sup>59</sup> and 2.0 percentage points for White women.<sup>60</sup>

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.<sup>61</sup> In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores<sup>62</sup> and reduced familial and childhood wellbeing.<sup>63</sup> These potential long-term economic consequences underscore the continued need for robust policy support.

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<sup>58</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300032> (last visited May 8, 2021).

<sup>59</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300031> (last visited May 8, 2021).

<sup>60</sup> U.S. Bureau of Labor Statistics, Labor Force Participation Rate - 20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LNS11300029> (last visited May 8, 2021).

<sup>61</sup> See, e.g., Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), <https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/>.

<sup>62</sup> Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), [https://www.nclc.org/images/pdf/credit\\_reports/report-credit-conundrum-2013.pdf](https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf).

<sup>63</sup> Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., Children of the Great Recession, Russell Sage Foundation (Aug. 2016), available at <https://www.russellsage.org/publications/children-great-recession>.

*Impacts on Businesses.* The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment<sup>64</sup> and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.<sup>65</sup> Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.<sup>66</sup> Sectors with a large share of small business employment have been among those with the most drastic drops in employment.<sup>67</sup> The negative outlook for small businesses has continued: as of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.<sup>68</sup>

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.<sup>69</sup> In general, small businesses can face greater hurdles in accessing credit,<sup>70</sup> and many small businesses were

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<sup>64</sup> Board of Governors of the Federal Reserve System, *supra* note 5.

<sup>65</sup> U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), <https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/>.

<sup>66</sup> Biden, *supra* note 6.

<sup>67</sup> Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID-19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), *available at* <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf>.

<sup>68</sup> U.S. Census Bureau, Small Business Pulse Survey, <https://portal.census.gov/pulse/data/> (last visited May 8, 2021).

<sup>69</sup> Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID-19 Pandemic (Nov. 2020), <https://www.nber.org/papers/w28151>.

<sup>70</sup> *See e.g.*, Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), *available at* <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>.

already financially fragile at the outset of the pandemic.<sup>71</sup> Non-profits, which provide vital services to communities, have similarly faced economic and financial challenges due to the pandemic.<sup>72</sup>

*Impacts to State, Local, and Tribal Governments.* State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.<sup>73</sup> These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

*Exacerbation of Pre-existing Disparities.* The COVID-19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID-19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,<sup>74</sup> and jobs that require in-person frontline work, which

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<sup>71</sup> Alexander W. Bartik et al., The Impact of COVID-19 on small business outcomes and expectations, PNAS 117(30): 17656-66 (July 28, 2020), *available at* <https://www.pnas.org/content/117/30/17656>.

<sup>72</sup> Federal Reserve Bank of San Francisco, Impacts of COVID-19 on Nonprofits in the Western United States (May 2020), <https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf>.

<sup>73</sup> Wolfe & Kassa, *supra* note 7; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID-19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), <https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances>.

<sup>74</sup> Kim Parker et al., Economic Fallout from COVID-19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), <https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>; Gould, *supra* note 55.

are exposed to greater risk of contracting COVID-19.<sup>75</sup> Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,<sup>76</sup> raise a substantial risk that the effects of the COVID-19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007-2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor neighborhoods more than doubling by 2010-2014 relative to 2000.<sup>77</sup> Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.<sup>78</sup> Given the disproportionate impact of COVID-19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID-19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all

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<sup>75</sup> See *infra* Section II.B of this Supplementary Information.

<sup>76</sup> Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), <https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/>.

<sup>77</sup> Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), <https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/>.

<sup>78</sup> David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), *available at* [https://www.frbsf.org/community-development/files/cp\\_fullreport.pdf](https://www.frbsf.org/community-development/files/cp_fullreport.pdf).

of which contribute to long-term economic outcomes.<sup>79</sup> Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.<sup>80</sup> Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,<sup>81</sup> an effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.<sup>82</sup> Evidence suggests

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<sup>79</sup> Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. *See, e.g.*, Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, PLoS ONE 13(7) (2018), *available at* <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144>; Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, <https://opportunityinsights.org/education/> (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education> (last visited Apr. 26, 2021).

<sup>80</sup> *See, e.g.*, Bacher-Hicks, *supra* note 14.

<sup>81</sup> A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. *See* Institute of Education Sciences, Monthly School Survey Dashboard, <https://ies.ed.gov/schoolsurvey/> (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only. *See* Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), <https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07> (last visited May 4, 2021).

<sup>82</sup> HHS, *supra* note 79.



that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.<sup>83</sup>

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.<sup>84</sup> Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.<sup>85</sup>

*Eligible Uses.* Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID-19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be eligible under this category, the recipient should assess whether, and the extent to which, there has been

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<sup>83</sup> Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease – 2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, *J. of Pediatrics* Vol. 223:188-93 (Aug. 1, 2020), *available at* [https://www.jpeds.com/article/S0022-3476\(20\)30606-5/abstract](https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract).

<sup>84</sup> Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey." Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>; *see also* Donna Feir & Charles Golding, Native Employment During COVID-19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), <https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound>.

<sup>85</sup> Moreno & Sobrepena, *supra* note 73.

an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm.<sup>86</sup> A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID-19 public health emergency. While economic impacts may either be immediate or delayed, assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.

In addition, the eligible use must “respond to” the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the Interim Final Rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and or exacerbated by the public health emergency.

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<sup>86</sup> In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic.
- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER], given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic's negative economic impacts on unemployed workers.

- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering the appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, State, local and

Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal government in response to the COVID-19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under section 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor's benefits to surviving family members of COVID-19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID-19 victims.

- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.
- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency, including:
  - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;

- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs.

As discussed above, these services should respond to the negative economic impacts of COVID-19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria.<sup>87</sup>

- *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower

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<sup>87</sup> See Federal Reserve Bank of Cleveland, *An Uphill Battle: COVID-19's Outsized Toll on Minority-Owned Firms* (Oct. 8, 2020), <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx> (discussing the impact of COVID-19 on minority owned businesses).

in April 2021 than prior to the pandemic.<sup>88</sup> Employment losses decrease a state or local government's ability to effectively administer services. Thus, the Interim Final Rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

- *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID-19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID-19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required

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<sup>88</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited May 8, 2021).

closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID-19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID-19 public health emergency.<sup>89</sup> Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

To facilitate transparency and accountability, the Interim Final Rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including tourism, travel, hospitality, and other impacted industries, and its connection to negative

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<sup>89</sup> From February 2020 to April 2021, employment in “Leisure and hospitality” has fallen by approximately 17 percent. *See* U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/USLAH> (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (e.g. revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. *See* Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, [https://www.bea.gov/sites/default/files/2021-03/gdp4q20\\_3rd.pdf](https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf).



economic impacts of the pandemic. Recipients also should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

As discussed above, economic disparities that existed prior to the COVID-19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID-19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.<sup>90</sup> Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The Interim Final Rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID-19 public health emergency, including:

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<sup>90</sup> HUD, *supra* note 48.

- *Building Stronger Communities through Investments in Housing and Neighborhoods*. The economic impacts of COVID-19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.<sup>91</sup> Services in this category alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.<sup>92</sup> Eligible services include:
  - Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
  - Affordable housing development to increase supply of affordable and high-quality living units; and
  - Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.<sup>93</sup>

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<sup>91</sup> Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), <https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of-persistent-urban-inequality-and-concentrated-poverty/>.

<sup>92</sup> U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11> (last visited Apr. 26, 2021).

<sup>93</sup> The Opportunity Atlas, <https://www.opportunityatlas.org/> (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, *Quarterly J. of Econ.* 133(3):1107-162 (2018), *available at* <https://opportunityinsights.org/paper/neighborhoodsi/>.

- *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children’s educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:
  - New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
  - Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
  - Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs; and
  - Evidence-based practices to address the social, emotional, and mental health needs of students;
- *Promoting Healthy Childhood Environments.* Children’s economic and family circumstances have a long-term impact on their future economic outcomes.<sup>94</sup> Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today’s children due to the pandemic. Eligible services to address this challenge include:

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<sup>94</sup> See supra notes 52 and 84.

- New or expanded high-quality childcare to provide safe and supportive care for children;
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

*Uses Outside the Scope of this Category.* Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is “necessary” and in water, sewer, or broadband. *See* Section II.D of this Supplementary Information. State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide “government services” broadly to the extent of their reduction in revenue. *See* Section II.C of this Supplementary Information.

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID-19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the Interim Final Rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address

the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID-19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID-19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID-19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this Supplementary Information, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

*Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.*

*Question 2: The Interim Final Rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID-19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID-19 response, and therefore reimbursable, in an easily-administrable manner?*

*Question 3: The Interim Final Rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2021. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?*

*Question 4: The Interim Final Rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?*

*Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID-19? Describe how these respond to the COVID-19 public health emergency.*

*Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries" affected by the COVID-19 public health emergency?*

*Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID-19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?*

*Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID-19 on low-income populations and communities? Describe how these respond to the COVID-19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.*

*Question 9: The Interim Final Rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?*

#### B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.<sup>95</sup> These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID-19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have contracted or died of COVID-19.<sup>96</sup> Several examples reflect the severity of the health impacts

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<sup>95</sup> §§602(c)(1)(B), 603(c)(1)(B) of the Act.

<sup>96</sup> See, e.g., Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, <https://covid.cdc.gov/covid-data-tracker/#health-care-personnel> (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID-19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week – United States, <https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff> (last visited May 4, 2021).



for essential workers. Meat processing plants became “hotspots” for transmission, with 700 new cases reported at a single plant on a single day in May 2020.<sup>97</sup> In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID-19 by mid-May 2020, with nearly 4,000 testing positive for the virus.<sup>98</sup> Furthermore, many essential workers are people of color or low-wage workers.<sup>99</sup> These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include:

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

During the public health emergency, employers’ policies on COVID-19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened

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<sup>97</sup> See, e.g., The Lancet, The plight of essential workers during the COVID-19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), *available at* <https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext>.

<sup>98</sup> *Id.*

<sup>99</sup> Joanna Gaitens et al., Covid-19 and essential workers: A narrative review of health outcomes and moral injury, *Int’l J. of Env’tl. Research and Pub. Health* 18(4):1446 (Feb. 4, 2021), *available at* <https://pubmed.ncbi.nlm.nih.gov/33557075/>; Tiana N. Rogers et al., Racial Disparities in COVID-19 Mortality Among Essential Workers in the United States, *World Med. & Health policy* 12(3):311-27 (Aug. 5, 2020), *available at* <https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358> (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

risks they have faced and continue to face.<sup>100</sup> Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.<sup>101</sup> A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.<sup>102</sup> The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID-19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the Interim Final Rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

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<sup>100</sup> Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), <https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/>.

<sup>101</sup> McCormack, *supra* note 37.

<sup>102</sup> *Id.*

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean “those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government.”<sup>103</sup> The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.<sup>104</sup> These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would “respond to” to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the Interim

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<sup>103</sup> §§602(g)(2), 603(g)(2) of the Act.

<sup>104</sup> The list of critical infrastructure sectors provided in the Interim Final Rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

Final Rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, or their residing county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.<sup>105</sup>

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the Interim Final Rule.<sup>106</sup> For these

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<sup>105</sup> County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. See U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, <https://www.bls.gov/oes/current/oesrcst.htm> (last visited May 1, 2021); U.S. Bureau of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, [https://www.bls.gov/oes/current/county\\_links.htm](https://www.bls.gov/oes/current/county_links.htm) (last visited May 1, 2021).

<sup>106</sup> Treasury performed this analysis with data from the U.S. Census Bureau's 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the misalignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID-19, it must be entirely additive to a worker's regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker's normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.<sup>107</sup> Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many months. Essential workers who have already earned premium pay for essential work performed during the COVID-19 public health

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<sup>107</sup> However, such compensation must be "in addition to" remuneration or wages already received. That is, employers may not reduce such workers' current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided. *See* Section VIII of this Supplementary Information, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the Interim Final Rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

*Question 10: Are there additional sectors beyond those listed in the Interim Final Rule that should be considered essential critical infrastructure sectors?*

*Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?*

*Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?*

### C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19

public health emergency.<sup>108</sup> Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same period 2019.<sup>109</sup> At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.<sup>110</sup> Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.<sup>111</sup> These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID-19 pandemic and help citizens weather the economic downturn.

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<sup>108</sup> ARPA, *supra* note 16.

<sup>109</sup> Major sources include personal income tax, corporate income tax, sales tax, and property tax. *See* Lucy Dadayan., States Reported Revenue Growth in July- – September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), *available at* [https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3\\_0.pdf](https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf)

<sup>110</sup> National League of Cities, City Fiscal Conditions (2020), *available at* [https://www.nlc.org/wp-content/uploads/2020/08/City\\_Fiscal\\_Conditions\\_2020\\_FINAL.pdf](https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf)

<sup>111</sup> Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. *See* Moreno & Sobrepena, *supra* note 73.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007-2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.<sup>112</sup> Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,<sup>113</sup> while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019 – just a few months before the COVID-19 public health emergency began.<sup>114</sup>

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The Interim Final Rule implements these provisions by establishing a definition of “general revenue” for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID-19 public health emergency.

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<sup>112</sup> See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at* <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.

<sup>113</sup> State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts,

<sup>114</sup> U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CES9092000001> and <https://fred.stlouisfed.org/series/CES9093000001> (last visited Apr. 27, 2021).



*General Revenue.* The Interim Final Rule adopts a definition of “general revenue” based largely on the components reported under “General Revenue from Own Sources” in the Census Bureau’s Annual Survey of State and Local Government Finances, and for purposes of this Interim Final Rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.<sup>115</sup> By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The Interim Final Rule defines the term “general revenue” to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.<sup>116</sup> In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of the COVID-19 public health emergency on a recipient’s revenue, rather than relying

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<sup>115</sup> U.S. Census Bureau, Annual Survey of State and Local Government Finances, <https://www.census.gov/programs-surveys/gov-finance.html> (last visited Apr. 30, 2021).

<sup>116</sup> The Interim Final Rule would define tax revenue in a manner consistent with the Census Bureau’s definition of tax revenue, with certain changes (i.e., inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as “charges imposed for providing current services or for the sale of products in connection with general government activities.” It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (i.e., other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.<sup>117</sup>

Consistent with the Census Bureau’s definition of “general revenue from own sources,” the definition of general revenue in the Interim Final Rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.<sup>118</sup> For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility’s continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal

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<sup>117</sup> Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. *See* Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287-B (Feb. 2009).

<sup>118</sup> *Supra* note 116.

governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term “general revenue” includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau’s methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.<sup>119</sup> For purposes of measuring loss in general revenue due to the COVID-19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.<sup>120</sup>

*Calculation of Loss.* In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in

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<sup>119</sup> U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), <https://www2.census.gov/govs/class/classfull.pdf>

<sup>120</sup> For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), <https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html>.

revenue relative to the most recent fiscal year prior to the COVID-19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID-19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.<sup>121</sup> Although revenue may decline for reasons unrelated to the COVID-19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID-19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID-19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years

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<sup>121</sup> For example, following the 2007-09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. See U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=r3YI> (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

of available data.<sup>122</sup> This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID-19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- Step 1: Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the *base year revenue*.
- Step 2: Estimate *counterfactual revenue*, which is equal to *base year revenue* \*  $[(1 + \text{growth adjustment})^{(n/12)}]$ , where  $n$  is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency.
- Step 3: Identify *actual revenue*, which equals revenues collected over the past twelve months as of the calculation date.

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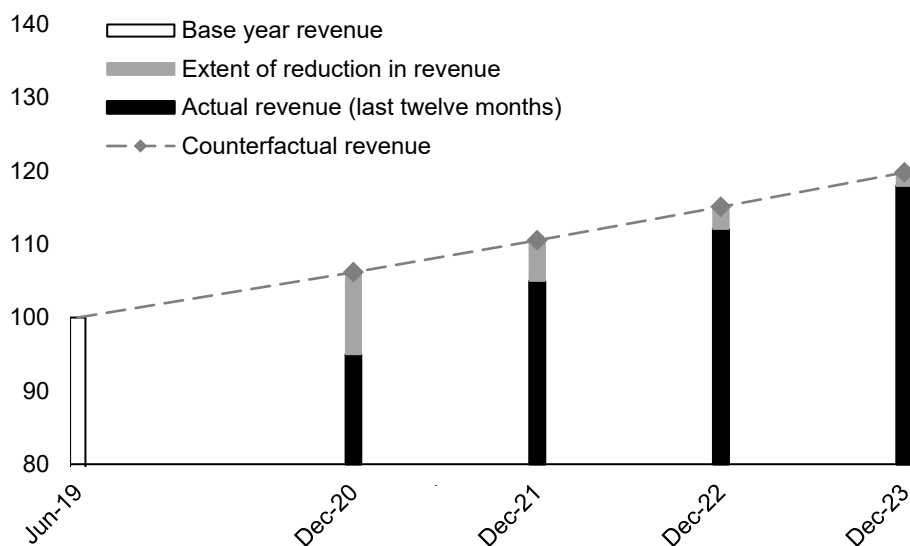
<sup>122</sup> Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015 – 2018 represents the most recent available data. See U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), <https://www.census.gov/programs-surveys/gov-finances/data/datasets.html>.

- Step 4: The extent of the reduction in revenue is equal to *counterfactual revenue* less *actual revenue*. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1 percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<i>n</i> (months elapsed)	18	30	42	54
<i>Counterfactual revenue</i> :	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building<sup>123</sup> of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (e.g., rainy day or other reserve funds) would not be considered provision of a

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<sup>123</sup> Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

government service, since such expenses do not directly relate to the provision of government services.

*Question 13: Are there sources of revenue that either should or should not be included in the Interim Final Rule’s measure of “general revenue” for recipients? If so, discuss why these sources either should or should not be included.*

*Question 14: In the Interim Final Rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.*

*Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID-19 public health emergency, in determining whether to presume that revenue losses are “due to” the COVID-19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID-19 public health emergency.*

*Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury to do support these recipients through its implementation of the program?*

*Question 17: In the Interim Final Rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.*



#### D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The Interim Final Rule outlines eligible uses within each category, allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.<sup>124</sup>

It is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of

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<sup>124</sup> Treasury notes that using funds to support or oppose collective bargaining would not be included as part of “necessary investments in water, sewer, or broadband infrastructure.”

skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

#### 1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.<sup>125</sup> By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the Interim Final Rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The Interim Final Rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).<sup>126</sup>

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<sup>125</sup> §§ 602(c)(1)(D), 603(c)(1)(D) of the Act.

<sup>126</sup> Environmental Protection Agency, Drinking Water State Revolving fund, <https://www.epa.gov/dwsrf> (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf> (last visited Apr. 30, 2021).

Established by the 1987 amendments<sup>127</sup> to the Clean Water Act (CWA),<sup>128</sup> the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.<sup>129</sup> Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.<sup>130</sup>

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<sup>127</sup> Water Quality Act of 1987, P.L. 100-4.

<sup>128</sup> Federal Water Pollution Control Act as amended, codified at 33 U.S.C. §§ 1251 *et. seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. P.L. 111-5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. P.L. 113-121. The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, P.L. 115-270.

<sup>129</sup> See Environmental Protection Agency, The Drinking Water State Revolving Funds: Financing America's Drinking Water, EPA-816-R-00-023 (Nov. 2000), <https://nepis.epa.gov/Exe/ZyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF>; See also Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021).

<sup>130</sup> 33 U.S.C. § 1383(c). See also Environmental Protection Agency, Overview of Clean Water State Revolving Fund Eligibilities (May 2016), [https://www.epa.gov/sites/production/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf); Claudia Copeland, Clean Water Act: A Summary of the Law, Congressional Research Service (Oct. 18, 2016), <https://fas.org/sgp/crs/misc/RL30030.pdf>; Jonathan L Ramseur, Wastewater Infrastructure: Overview, Funding, and Legislative Developments, Congressional Research Service (May 22, 2018), <https://fas.org/sgp/crs/misc/R44963.pdf>.

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),<sup>131</sup> with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.<sup>132</sup> Like the CWSRF, the DWSRF provides States with the flexibility to meet the needs of their populations.<sup>133</sup> The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.<sup>134</sup> In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.<sup>135</sup>

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the Interim Final Rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health

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<sup>131</sup> 42 U.S.C. 300j-12.

<sup>132</sup> Environmental Protection Agency, Drinking Water State Revolving Fund Eligibility Handbook, (June 2017), [https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_version.pdf](https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf); Environmental Protection Agency, Drinking Water Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), [https://www.epa.gov/sites/production/files/2018-10/documents/corrected\\_sixth\\_drinking\\_water\\_infrastructure\\_needs\\_survey\\_and\\_assessment.pdf](https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf).

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> 42 U.S.C. 300j-12(b)(3)(A).

standards.<sup>136</sup> The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can be deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the Interim Final Rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID-19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.<sup>137</sup> Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to “assist systems most in need on a per household basis according to state affordability criteria” would also have

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<sup>136</sup> Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, <https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf> (last visited Apr. 30, 2021); 42 U.S.C. 300j-12.

<sup>137</sup> House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), <https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief>.

the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.<sup>138</sup>

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly,

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<sup>138</sup> Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), [https://www.epa.gov/sites/production/files/2019-11/documents/fact\\_sheet\\_-\\_dwsrf\\_overview\\_final\\_0.pdf](https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf); Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, <https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations> (last visited Apr. 30, 2020).

projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

*Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?*

*Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, underserved, or rural communities? How do these projects differ from DWSRF and CWSRF eligible projects?*

*Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.*

*Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible infrastructure under the Interim Final Rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.*

## 2. Broadband Infrastructure.

The COVID-19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband Internet access service for every facet of daily life including work, study, and healthcare.<sup>139</sup> With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

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<sup>139</sup> See, e.g., <https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show>; <https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show>; and generally, <https://www.ntia.gov/data/digital-nation-data-explorer>.



By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.<sup>140</sup> By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).<sup>141</sup> There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.<sup>142</sup> Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.<sup>143</sup>

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<sup>140</sup> As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, <https://broadbandmap.fcc.gov/#/> (last visited May 9, 2021).

<sup>141</sup> How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, *available at* <https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide>.

<sup>142</sup> See, e.g., Federal Communications Commission, Fourteenth Broadband Deployment Report, *available at* <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf>.

<sup>143</sup> See, e.g., Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), <https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx>; Kansas Office of Broadband Development, Broadband Acceleration Grant, <https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf> (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), [https://www.nysac.org/files/BroadbandUpdateReport2017\(1\).pdf](https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf).

The Interim Final Rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the Interim Final Rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the Interim Final Rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.<sup>144</sup> In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

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<sup>144</sup> This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.<sup>145</sup> In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017<sup>146</sup> and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,<sup>147</sup> attributable, in part to a shift to using broadband and the internet by individuals and businesses to create and share content using video sharing, video conferencing, and other applications.<sup>148</sup>

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater

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<sup>145</sup> Federal Communications Commission, Broadband Speed Guide, <https://www.fcc.gov/consumers/guides/broadband-speed-guide> (last visited Apr. 30, 2021).

<sup>146</sup> Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19-126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, available at <https://ecfsapi.fcc.gov/file/101030085118517/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf>.

Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide*, Apr. 29, 2021.

<sup>147</sup> *Id.* See also United States's Mobile and Broadband Internet Speeds - Speedtest Global Index, available at <https://www.speedtest.net/global-index/united-states#fixed>.

<sup>148</sup> *Id.*

internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.<sup>149</sup> As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.<sup>150</sup> For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others.<sup>151</sup> These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of

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<sup>149</sup> One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

<sup>150</sup> See, e.g., Zoom, System Requirements for Windows, macOS, and Linux, [https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h\\_d278c327-e03d-4896-b19a-96a8f3c0c69c](https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c) (last visited May 8, 2021).

<sup>151</sup> By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. Reviews.org: What is Symmetrical Internet? (March 2020).

383.8 gigabytes.<sup>152</sup> OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent – from 19 gigabytes to 31 gigabytes – between December, 2019 and December, 2020.<sup>153</sup> According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.<sup>154</sup>

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and

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<sup>152</sup> OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), *available at* <https://openvault.com/ovbi-covid-19-drove-51-increase-in-broadband-traffic-in-2020>; See OpenVault's data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4*, Quarterly Advisory (Feb. 10, 2021), *available at* <https://openvault.com/complimentary-report-4q20/>.

<sup>153</sup> OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 2021), *available at* <https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/>; Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity*, *available at* <https://openvault.com/upstream-whitepaper/>.

<sup>154</sup> Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), <https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls> [www.oecd.org/sti/broadband/broadband-statistics](https://www.oecd.org/sti/broadband/broadband-statistics).

20 Mbps upload being included in the “above baseline” performance tier set by the FCC.<sup>155</sup> The Broadband Infrastructure Program (BBIP)<sup>156</sup> of the Department of Commerce, which provides Federal funding to deploy broadband infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.<sup>157</sup>

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the Interim Final Rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the Interim Final Rule, eligible projects are expected to focus on locations that are unserved or underserved. The Interim Final Rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds

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<sup>155</sup> *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), *available at* <https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0>.

<sup>156</sup> The BBIP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116-260, 134 Stat. 1182 (Dec. 27, 2020).

<sup>157</sup> Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC’s benchmark for an “advanced telecommunications capability.”<sup>158</sup> This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC’s RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.<sup>159</sup> The Department of Commerce’s BBIP also considers households to be “unserved” generally if they lack access to broadband service with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with

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<sup>158</sup> *Deployment Report*, *supra* note 142.

<sup>159</sup> *Rural Digital Opportunity Fund*, *supra* note 156.

local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

*Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?*

*Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?*

*Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?*

*Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?*



*Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?*

### III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not “use the funds ... to either directly or indirectly offset a reduction in ... net tax revenue ... resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax ... or delays the imposition of any tax or tax increase.” In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health

emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID-19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The Interim Final Rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this Supplementary Information, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

#### A. Deposit into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for “deposit into any pension fund.” For the reasons discussed below, Treasury interprets “deposit” in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the Interim Final Rule does not permit this assistance to be used to make a payment into a pension fund if both:

1. the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and
2. the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a “deposit” is distinct from a “payroll contribution,” which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID-19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of “deposit” to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, if an employee’s wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee’s covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers’ compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees’ covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

*Question 27: Beyond a “deposit” and a “payroll contribution,” are there other types of payments into a pension fund that Treasury should consider?*

## B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments<sup>160</sup>), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation<sup>161</sup> during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. *See* Section IV of this Supplementary Information. As discussed below Section IV of this Supplementary Information, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The Interim Final Rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—i.e., cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the

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<sup>160</sup> In this sub-section, “recipient governments” refers only to States and territories. In other sections, “recipient governments” refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

<sup>161</sup> For brevity, referred to as “changes in law, regulation, or interpretation” for the remainder of this preamble.

recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. The Interim Final Rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (e.g., an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the Interim Final Rule’s approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State’s or territory’s covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for

the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the Interim Final Rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to “pay for” with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).
- Second, the Interim Final Rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.
- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is

greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.

- Fourth, if the recipient government’s actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:
  - State or territory tax changes that would increase any source of general fund revenue, such as a change that would increase a tax rate; and
  - Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government’s actual tax revenue shortfall relative to the baseline (i.e., fiscal year 2019 tax revenue adjusted for inflation). This “revenue reduction cap,” together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

- Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this Supplementary Information.

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The Interim Final Rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. *See* Section IV of this Supplementary Information.

The Interim Final Rule includes several definitions that are applicable to the implementation of the offset provision.

*Covered change.* The offset provision is triggered by a reduction in net tax revenue resulting from "a change in law, regulation, or administrative interpretation." A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered



period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal government’s expansion of the EITC in the ARPA.<sup>162</sup> This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

*Baseline.* For purposes of measuring a reduction in net tax revenue, the Interim Final Rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in

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<sup>162</sup> See, e.g., Tax Policy Center, How do state earned income tax credits work?, <https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/> (last visited May 9, 2021).

each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.<sup>163</sup>

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID-19 public health emergency.<sup>164</sup> This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the “most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency” as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,<sup>165</sup> suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

*Reporting year.* The Interim Final Rule defines “reporting year” as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases (“in-year” value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term “reporting year”

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<sup>163</sup> U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, <https://www.bea.gov/data/prices-inflation/gdp-price-deflator> (last visited May 9, 2021).

<sup>164</sup> Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. *See* section 602(c)(1)(C).

<sup>165</sup> Congressional Budget Office, An Overview of the Economic Outlook: 2021 to 2031 (February 1, 2021), *available at* <https://www.cbo.gov/publication/56965>.

refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

*Tax revenue.* The Interim Final Rule’s definition of “tax revenue” is based on the Census Bureau’s definition of taxes, used for its Annual Survey of State Government Finances.<sup>166</sup> It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this Supplementary Information describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this Supplementary Information, tax revenue does not include revenue taxed and collected by a different unit of government (e.g., revenue from taxes levied by a local government and transferred to a recipient government).

*Framework.* The Interim Final Rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State’s or territory’s use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government’s existing approach for measuring the

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<sup>166</sup> U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, <https://www.census.gov/programs-surveys/state/about/glossary.html> (last visited Apr. 30, 2021).

effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States and territories already consider tax changes.<sup>167</sup>

(2) *In excess of the de minimis*. The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step 1. If the total value of the revenue reductions resulting from these changes is below the de

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<sup>167</sup> See, e.g., Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), *available at* [https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states\\_1.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf).

de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.<sup>168</sup> The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor*. The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that such funds are used to offset a reduction in net tax revenue. If net tax revenue has not

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<sup>168</sup> Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004-2017.

been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the Interim Final Rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the Interim Final Rule considers the department, agency, or authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a

spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to “indirectly” offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.



(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.<sup>169</sup> In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by \$1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth \$500 million, it need only pay for the remaining \$500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this Supplementary Information, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated

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<sup>169</sup> This cap is applied in section 35.8(c) of the Interim Final Rule, calculating the amount of funds used in violation of the tax offset provision.

on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the Interim Final Rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

*Question 28: Does the Interim Final Rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.*

*Question 29: The Interim Final Rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to*

*ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?*

*Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the Interim Final Rule take into consideration differences in approaches? Please discuss the use of practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.*

*Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?*

*Question 32: To implement the framework described above, the Interim Final Rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.*

*Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the Interim Final Rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the Interim Final Rule?*

#### **C. Other Restrictions on Use**

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet

matching requirements. For example, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.<sup>170</sup>

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

#### D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.<sup>171</sup> The definition of “incurred” does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID-19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting

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<sup>170</sup> See 42 CFR 433.51 and 45 CFR 75.306.

<sup>171</sup> Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The Interim Final Rule adopts a definition of “obligation” that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID-19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).<sup>172</sup> As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to “respond to” the COVID-19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (e.g., average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (e.g., replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID-19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use

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<sup>172</sup> §§ 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The Interim Final Rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.<sup>173</sup>

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

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<sup>173</sup> Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

#### IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.<sup>174</sup> The Interim Final Rule implements these provisions by establishing a process for recoupment.

*Identification and Notice of Violations.* Failure to comply with the restrictions on use will be identified based on reporting provided by the recipient. As discussed further in Sections III.B and VIII of this Supplementary Information, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

*Request for Reconsideration.* Under the Interim Final Rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The Interim Final Rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the

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<sup>174</sup> §§ 602(e) and 603(e) of the Act.

Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the Interim Final Rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.<sup>175</sup> This process will allow the Secretary to respond to the issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

*Repayment.* Finally, the Interim Final Rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

*Question 34: Discuss the timeline for requesting reconsideration under the Interim Final Rule. What, if any, challenges does this timeline present?*

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<sup>175</sup> The Interim Final Rule also provides that Treasury may extend any deadlines.



## V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this Interim Final Rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (i.e., February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this Interim Final Rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.<sup>176</sup> Splitting payments to States into two tranches will help

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<sup>176</sup> With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.<sup>177</sup> For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the Interim Final Rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in

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<sup>177</sup> The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.,* Dave Altig et al., Economic uncertainty before and during the COVID-19 pandemic, J. of Public Econ. (Nov. 2020), *available at* <https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389>

their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.<sup>178</sup> Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021<sup>179</sup>) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in

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<sup>178</sup> Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions> (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/UNRATE> (last visited Apr. 27, 2021).

<sup>179</sup> U.S. Bureau of Labor Statistics, Economic News Release – Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, <https://www.bls.gov/news.release/laus.t01.htm> (last visited Apr. 30, 2021).

unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

## VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan cities, and nonentitlement units of local government are collectively referred to as “local governments”) to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a “private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.”<sup>180</sup> Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The Interim Final Rule clarifies that the lists of transferees in Sections 602(c)(3) and 603(c)(3) are not exclusive. The Interim Final Rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or

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<sup>180</sup> § 602(c)(3) of the Act.

private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are “recipients.” A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient’s Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient’s use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients’ use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID-19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county’s goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in

county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

*Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?*

*Question 36: Are there alternative ways of defining “special-purpose unit of State or local government” and “public benefit corporation” that would better further the aims of the Funds?*

## VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for \$19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal government during the COVID-19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The Interim Final Rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU's distribution. Further, States and territories may not provide funding on a reimbursement basis—e.g., requiring NEUs to pay for project costs up front before being

reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's most recent budget. The most recent budget is defined as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the Interim Final Rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on



distributions to such units of general local government, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (e.g., a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government's NEU allocation under section 603(b)(2) but not to the consolidated government's county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(ii)(I). Additional extensions may be granted at the discretion of the Secretary.

*Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?*

*Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?*

## VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter

quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds. The reports will include the same general data (e.g., on obligations, expenditures, contracts, grants, and sub-awards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021, and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, Recovery Plan Performance reports will cover a 12-month period, and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022, and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

## IX. Comments and Effective Date

This Interim Final Rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As discussed below, the requirements of advance notice and public comment do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.”<sup>181</sup> The Interim Final Rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”<sup>182</sup> This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this Interim Final Rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the Interim Final Rule.

These comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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<sup>181</sup> 5 U.S.C. 553(a)(2).

<sup>182</sup> 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”).

## X. Regulatory Analyses

### Executive Orders 12866 and 13563

This Interim Final Rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID-19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID-19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is “significant” and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory action as an action likely to result in a rule that may:

- (1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as “economically significant” regulations);
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- (3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive Order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

- (1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);
- (2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;
- (3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);
- (4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and
- (5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency “to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible.” OMB's Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may

include “identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes.”

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this Interim Final Rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this Interim Final Rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

*Need for Regulatory Action.* This Interim Final Rule implements the \$350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID-19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this Interim Final Rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress’ mandate for targeted fiscal relief. This Interim Final Rule is primarily a transfer rule: it transfers \$350 billion in aid from the Federal government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing

its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond to local needs; and limiting administrative burdens.

*Analysis of Benefits.* Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined \$350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID-19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.<sup>183</sup> Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007-09 recession.<sup>184</sup>

This Interim Final Rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: strengthening the response to the COVID-19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government

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<sup>183</sup> Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, *American Econ. J.: Econ. Policy*, 4:3 118-45 (Aug. 2012), available at <https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118>

<sup>184</sup> See, e.g., Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), <https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html>; Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), available at <https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf>; Gordon, *supra* note 9.



services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the Interim Final Rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

These benefits are achieved in the Interim Final Rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients' overall flexibility, the Interim Final Rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury's approach to key provisions in the Interim Final Rule will contribute to greater realization of benefits from the program.

- Revenue Loss: Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury's decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients' pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss

at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, Treasury's approach provides a more accurate representation of the effect of the pandemic on overall revenues.

- Premium Pay: Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the Interim Final Rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker's annual pay above a certain threshold. To set this threshold, Treasury analyzed data from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the Interim Final Rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The Interim Final Rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of

financial resources for those who have endured the heightened risk of performing essential work.

- Withholding of Payments to Recipients: Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment. Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.
- Hiring Public Sector Employees: The Interim Final Rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the Interim Final Rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need, particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID-19

crisis. Targeting relief is in line with Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, which laid out an Administration-wide priority to support “equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.”<sup>185</sup> To this end, the Interim Final Rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented;<sup>186</sup> and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

*Analysis of Costs.* This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

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<sup>185</sup> Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021), <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/> (last visited May 9, 2021).

<sup>186</sup> David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, <https://www.epi.org/publication/bp339-public-sector-jobs-crisis> (last visited May 9, 2021).

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal government programs and that many have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments —along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this Interim Final Rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

#### Executive Order 13132

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This Interim Final Rule does not have federalism implications within the meaning of the Executive Order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive Order. The

compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the Interim Final Rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

#### Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 et seq., generally requires public notice and an opportunity for comment before a rule becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply “to the extent that there is involved . . . a matter relating to agency . . . grants.” The Interim Final Rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus “both clearly and directly related to a federal grant program.” *National Wildlife Federation v. Snow*, 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the “process necessary to maintain state . . . eligibility for federal funds,” *id.*, as well as the “method[s] by which states can . . . qualify for federal aid,” and other “integral part[s] of the grant program,” *Center for Auto Safety v. Tiemann*, 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures “when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.” 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C.

553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule “for good cause found and published with the rule”). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553’s requirements. The ARPA is a law responding to a historic economic and public health emergency; it is “extraordinary” legislation about which “both Congress and the President articulated a profound sense of ‘urgency.’” *Petry v. Block*, 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this Interim Final Rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to “respond to the public health emergency,” and the urgency is further exemplified by Congress’s command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, “[t]o the extent practicable,” funds must be provided to Tribes and cities “not later than 60 days after the date of enactment.” See *Philadelphia Citizens in Action v. Schweiker*, 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been “virtually impossible”). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA “covered period” began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

#### Congressional Review Act

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the

Congressional Review Act or CRA) (5 U.S.C. 804(2) et seq.). Under the CRA, a major rule takes effect 60 days after the rule is published in the Federal Register. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

#### Paperwork Reduction Act

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (e.g., payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. Chapter 35) (PRA) emergency processing procedures and assigned control number 1505-0271. The information collections related to ongoing reporting requirements, as discussed in this Interim Final Rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.



<b>Reporting</b>	<b># Respondents (Estimated)</b>	<b># Responses Per Respondent</b>	<b>Total Responses</b>	<b>Hours per response</b>	<b>Total Burden in Hours</b>	<b>Cost to Respondent (\$48.80 per hour*)</b>
Recipient Payment Form	5,050	1	5,050	.25 (15 minutes)	1,262.5	\$61,610
Acceptance of Award Terms	5,050	1	5,050	.25 (15 minutes)	1,262.5	\$61,610
Title VI Assurances	5,050	1	5,050	.50 (30 minutes)	2,525	\$123,220
Quarterly Project and Expenditure Report	5,050	4 per year after first year	20,200	25	505,000	\$24,644,000
Annual Project and Expenditure Report from NEUs	TBD	1 per year	20,000-40,000 (Estimate only)	15	300,000 – 600,000	\$14,640,000 - \$29,280,000
Annual Recovery Plan Performance report	418	1 per year	418	100	41,800	\$2,039,840
<b>Total</b>	5,050 – TBD	N/A	55,768 - 75,768	141	851,850 - 1,151,850	\$41,570,280 - \$56,210,280

\* Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the Internet at <https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm> (visited March 28, 2020). Base wage of \$33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of \$48.80.

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the Interim Final Rule.

As discussed in Section VIII of this Supplementary Information, recipients of Fiscal Recovery Funds will be required to submit one interim report and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August 31, 2021. The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the collection of information; (c) ways to enhance the

quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the [www.regulations.gov](http://www.regulations.gov) docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

#### Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the Federal Register. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

## RULE TEXT

### List of Subjects in 31 CFR Part 35

Executive compensation, State and Local Governments, Tribal Governments, Public health emergency.

Title 31—Money and Finance: Treasury

### Part 35 - PANDEMIC RELIEF PROGRAMS

1. The authority citation for Part 35 is revised to read as follows:

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Consolidated Appropriations Act, 2021 (Pub. L. 116-260), Division N, Title V, Subtitle B; Community Development Banking and Financial Institutions Act of 1994 (enacted as part of the Riegle Community and Regulatory Improvement Act of 1994 (Pub. L. 103-325)), as amended (12 U.S.C. 4701 et seq.), Section 104A; Pub. L. 117-2.

2. Revise the part heading as shown above.

3. Add Subpart A to read as follows:

### Subpart A— CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Sec.

35.1 Purpose.

35.2 Applicability.

35.3 Definitions.

35.4 Reservation of Authority, Reporting.

35.5 Use of Funds.

35.6 Eligible Uses.

35.7 Pensions.

35.8 Tax.

35.9. Compliance with Applicable Laws.

35.10. Recoupment.

35.11 Payments to States.

35.12. Distributions to Nonentitlement Units of Local Government and Units of General Local Government.

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f)

### **§ 35.1 Purpose.**

This part implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Public Law 117-2), which amends Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

### **§ 35.2 Applicability.**

This part applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

### **§ 35.3 Definitions.**

*Baseline* means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

*County* means a county, parish, or other equivalent county division (as defined by the Census Bureau).

*Covered benefits* include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

*Covered change* means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative

interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

*Covered period* means, with respect to a State, Territory, or Tribal government, the period that:

(1) Begins on March 3, 2021; and

(2) Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

*COVID-19* means the Coronavirus Disease 2019.

*COVID-19 public health emergency* means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID-19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 et. seq.).

*Deposit* means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

*Eligible employer* means an employer of an eligible worker who performs essential work.

*Eligible workers* means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and

diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID-19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

*Essential work* means work that:

(1) Is not performed while teleworking from a residence; and

(2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

*Funds* means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

*General revenue* means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

*Intergovernmental transfers* means money received from other governments, including grants and shared taxes.

*Metropolitan city* has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

*Net reduction in total spending* is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.



*Nonentitlement unit of local government* means a “city,” as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

*Nonprofit* means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

*Obligation* means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

*Pension fund* means a defined benefit plan and does not include a defined contribution plan.

*Premium pay* means an amount of up to \$13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID-19 public health emergency. Such amount may not exceed \$25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to \$13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker’s previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to \$13 that is in addition to the eligible worker’s regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers’ current and prospective wages or remuneration.

*Qualified census tract* has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

*Recipient* means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

*Reporting year* means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

*Secretary* means the Secretary of the Treasury.

*State* means each of the 50 States and the District of Columbia

*Small business* means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

*Tax Revenue* means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

*Territory* means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

*Tribal enterprise* means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

*Tribal government* means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

*Unemployment rate* means the U-3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

*Unemployment trust fund* means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

*Unit of general local government* has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

*Unserved and underserved households or businesses* means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

#### **§ 35.4 Reservation of Authority, Reporting.**

(a) *Reservation of authority.* Nothing in this part shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this part, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

#### **§ 35.5 Use of funds.**

(a) *In General.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable,

including those enumerated in section § 35.6 of this subpart, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

### **§ 35.6 Eligible uses.**

(a) *In General.* Subject to §§ 35.7 and 35.8 of this subpart, a recipient may use funds for one or more of the purposes described in paragraphs (b)-(e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID-19 response and prevention.* Expenditures for the mitigation and prevention of COVID-19, including:

(i) Expenses related to COVID-19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID-19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID-19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID-19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID-19-related operational needs;

(vi) Costs of providing COVID-19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID-19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment;

(ix) Expenses for communication related to COVID-19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID-19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in response to the COVID-19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID-19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public Health and Safety Staff.* Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID-19 public health emergency.

(3) *Hiring State and Local Government Staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to Unemployed Workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work;

(5) *Contributions to State Unemployment Insurance Trust Funds.* Contributions to an Unemployment Trust Fund up to the level required to restore the Unemployment Trust Fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER];

(6) *Small Businesses*. Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency;

(7) *Nonprofits*. Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID-19 public health emergency;

(8) *Assistance to Households*. Assistance programs, including cash assistance programs, that respond to the COVID-19 public health emergency;

(9) *Aid to Impacted Industries*. Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID-19 public health emergency;

(10) *Expenses to Improve Efficacy of Public Health or Economic Relief Programs*. Administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's Benefits*. Benefits for the surviving family members of individuals who have died from COVID-19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID-19;

(12) *Disproportionately Impacted Populations and Communities*. A program, service, or other assistance that is provided in a Qualified Census Tract, that is provided to households and populations living in a Qualified Census Tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency, such as:



- (i) Programs or services that facilitate access to health and social services, including:
  - (A) Assistance accessing or applying for public benefits or services;
  - (B) Remediation of lead paint or other lead hazards; and
  - (C) Community violence intervention programs;
- (ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:
  - (A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;
  - (B) Development of affordable housing to increase supply of affordable and high-quality living units; and
  - (C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;
- (iii) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, including:
  - (A) New or expanded early learning services;
  - (B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and
  - (C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students;
- (iv) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, including:
  - (A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing Premium Pay to Eligible Workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID-19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID-19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing Government Services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (d)(2).

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)} ] - \text{Actual General Revenue}_t; 0 \}$$

Where:

(i) Base Year Revenue is the recipient's general revenue for the most recent full fiscal year prior to the COVID-19 public health emergency;

(ii) Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

(iii)  $n$  equals the number of months elapsed from the end of the base year to the calculation date.

(iv) Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date;

(v) Subscript  $t$  denotes the specific calculation date.

(e) *To Make Necessary Investments in Infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(A) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds;  
or

(B) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(A) of this section:

(i) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(ii) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

#### **§ 35.7 Pensions.**

A recipient may not use funds for deposit into any pension fund.

#### **§ 35.8 Tax.**

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered Change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered

change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the De Minimis Threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in Net Tax Revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of Other Changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and Revenue Reduction Cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i)-(ii).

#### **§ 35.9. Compliance with Applicable Laws.**

A recipient must comply with all other applicable Federal statutes, regulations, and executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this Subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

#### **§ 35.10. Recoupment.**

(a) *Identification of Violations – (1) In general.* Any amount used in violation of §§ 35.6 or 35.7 of this subpart may be identified at any time prior to December 31, 2026.

(2) *Annual Reporting of Amounts of Violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8 of this subpart.

(b) *Calculation of Amounts Subject to Recoupment – (1) In general.* Except as provided in paragraph (b)(2), Treasury will calculate any amounts subject to recoupment resulting from a violation of §§ 35.6 or 35.7 of this subpart as the amounts used in violation of such restrictions.

(2) *Violations of Section 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8 of this subpart, equal to the lesser of:

- (i) The amount set forth in § 35.8(c) of this subpart; and,
- (ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for Reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

- (i) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and
- (ii) A discussion of supporting reasons, along with any additional information.

(e) *Final Amount Subject to Recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an

explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of Funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(i) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the requirements of paragraph (d) of this section, or

(ii) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

#### **§ 35.11 Payments to States.**

(a) *In General.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of Withheld Amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:



(i) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(ii) Any reports required to be filed by that date pursuant to this part that have not yet been filed.

**§ 35.12. Distributions to Nonentitlement Units of Local Government and Units of General Local Government.**

(a) *Nonentitlement Units of Local Government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget Cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this subsection.

(c) *Units of General Local Government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an

(d) *Additional Conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

[ ]

**ORDERLY ANNEXATION AGREEMENT  
BETWEEN THE TOWNSHIP OF CANISTEO  
AND THE CITY OF KASSON, MINNESOTA**

Agreement entered into on -----, 2021, between the Township of Canisteo, of the County of Dodge, State of Minnesota, herein called Township and the City of Kasson of the County of Dodge, State of Minnesota, a Municipal Corporation, herein called, City.

**RECITALS**

- A. City and Township desire to establish and Orderly Annexation of a designated area.
- B. The establishment of an Orderly Annexation appears to be the most desirable and economic plan for both the City and the Township.
- C. The establishment of such an Orderly Annexation is authorized by Minnesota Statute §414.0325.
- D. The City and the Township agree that preservation of prime farmland and natural amenities are important, and both parties will strive to maintain prime farmland and natural amenities.
- E. The Township prefers that annexation occur as a result of comprehensive development proposals rather than on a lot-by-lot basis. Individual lot annexation will be unopposed if development has already occurred and the property is contiguous to the City borders.

IN CONSIDERATION OF THE MUTUAL COVENANTS contained herein and for other good and valuable consideration, the parties agree as follows:

- 1) This area has immediate urban development potential. The City will support annexations within this area providing the extension of services can be done in an orderly and cost-effective way. The City shall not petition nor consent to any annexation of any area in the Township except pursuant to this Agreement. The Township will not object to annexation requests within this area. The City retains the right to deny any annexations that are not contiguous with the City's corporate boundaries.
- 2) The following described area in the Township, pursuant to Minnesota Statute §414.0325, is subject to an Orderly Annexation as shown on Exhibit "A" attached hereto and made a part hereof is described as follows:

Section Three (3), Section Four (4), and Section Five (5); all in Canisteo Township, Dodge County, Minnesota and excepting there from all those parts thereof now within the corporate limits of the City of Kasson, Minnesota,

- 3) The Township and the City do upon their adoption and upon acceptance by the Director of Strategic and Long-Range Planning (hereinafter referred to as Director), confer jurisdiction upon the Director over the various tracts described in this Agreement so as to accomplish said Orderly Annexation in accordance with the terms of this Agreement and

Resolutions. No consideration by the Director is necessary, although the Director may review and comment. However, within thirty (30) days the Director shall order their annexation in accordance with the terms of this Agreement and joint resolution.

- 4) This Orderly Annexation Agreement shall be in effect until rescinded or amended by Resolution of both parties. The City shall not annex any other area of Canisteo Township except the described area above, pursuant to this Agreement.
- 5) Annexation into the City of undeveloped parcels within the Orderly Annexation area above described in their entirety or portions thereof shall be uncontested by the Township provided:
  - a) There exists a development concept plan for the entire area being annexed, denoting the proposed land uses, major street patterns and storm drainage patterns and subdivisions made up of lots consistent with the density standards of the City's zoning districts.
  - b) There exists a utility improvement plan for extension of City sewer and water services for the entire area being annexed.
  - c) Petition by the landowner for annexation to the City, or request by the City due to the construction of local improvements which benefit the property and permit assessments for all or a portion of the cost.
- 6) The City will not accept any petitions for annexation signed by less than 50% of effected property owners. Each request for annexation of property within the designated area will not exceed 60 acres unless mutually agreed upon by joint resolution of the Township and City.
- 7) The City shall reimburse the Township for loss of property taxes using the following formula:

The tax capacity of the annexed parcel shall be multiplied by the Township tax capacity rate in effect at the time of annexation to determine the amount of taxes lost due to annexation. This amount shall be reimbursed to the Township by the City on a declining scale of: 90% for the first year following annexation; 70% for the second year; 50% for the third year; 30% for the fourth year; and 10% for the fifth year. No payments will be calculated for any year after the fifth year.

The City will calculate the amount of reimbursement due and shall include that figure in the Joint Resolution for Annexation for each parcel under consideration.

Upon receipt of the Order for Annexation from the Board of Municipal Boundary Adjustments, or its successor, the Township Treasurer shall submit an invoice to the City for the total amount due. The City shall reimburse the Township for the entire amount due within 30 days of receipt of the invoice.

- 8) Planning and zoning throughout the Orderly Annexation area shall be under the control of the applicable Dodge County, Minnesota Ordinances and the City Zoning Regulations, whichever is more restrictive, until annexed to the City. Specifically, property line setbacks and approved uses within the anticipated zoning district. The anticipated zoning districts are as described by the attached Land Use Map (Exhibit B). The City and the Township will request the County to notify each party of any pending zoning requests or for the issuance of permits requiring special approval or requesting a zoning change on the affected property. Due consideration shall be given by Dodge County of the Township and City comments and the City Comprehensive Plan before acting upon the zoning request or for the issuance of permits requiring special approval. (Exhibit C: Kasson Zoning Ordinances).
- 9) Within the designated annexation area, any improvements to existing property will be in accordance with the City Zoning Ordinances. The Township will give the City written notice prior to all zone change requests, requests for variances, conditional uses and non-farm building permits.
- 10) In instances where individual property owners can substantiate that the sewage treatment system (septic) is functioning properly and conforming to applicable codes, the property owner may defer hooking up to the city's sewer system for a period of five (5) years. During that period interest on assessments resulting from construction of the city sewer system shall not accumulate or accrue. After five (5) years, such residences shall be connected to city sewer and water lines, existing on-site systems shall be abandoned in compliance with city, county and state regulations and outstanding assessments shall be paid by the property owner in conformance with prevailing assessment policy and the original interest rate.
- 11) After annexation, abandonment of wells shall be done in accordance with the regulations of the Minnesota Department of Health as amended from time to time.
- 12) At the time of all annexations, the City shall acquire the electrical service territory.
- 13) Areas currently within the Corporate Limits of the City of Kasson discovered to have been improperly annexed in the past may be annexed by ordinance by the Kasson City Council.
- 14) Property owners currently receiving municipal water or sanitary sewer services may be annexed by ordinance by the Kasson City Council.
- 15) In the event the Township or City has a conflict with the provisions of annexation per this agreement, both parties agree to resolve the issue through mediation. The mediation group will consist of representatives(s) of the City and Township along with a representative from the county.
- 16) In the event that any portion of this agreement is declared null and void or unenforceable by a court of law, the remainder of this agreement shall remain intact and enforceable.



## Exhibit A



**4/14/21**

## **Kyle Wheeler progress report**

Mr. Mayor and City Council,

As requested, here is the 6-month progress report for Electrical Line-worker Apprentice Kyle Wheeler. Kyle has completed year 3.5 years of book work and related training hrs. as of April 14, 2021. He is progressing on pace and as expected in both his books and OTJ training. He continues to grow into his trade and makes a sizable contribution to the Electric Dept. and Public Works on a daily basis. Attached is accompanying documentation of work and training hrs. completed and test scores from Northwest Lineman College. Eric and I look forward to providing Kyle with more opportunities to grow and learn and become a Journeyman line-worker over the next 6 months.

Thank You,

Jarrold Nelson

Electric Dept. Supervisor





# KASSON FIRE DEPARTMENT

FIRE ✕ RESCUE ✕ EMS ✕ 101 E. MAIN STREET ✕ KASSON, MN 55944

5/20/2021

1200 HRS

Kasson Fire Department  
101 E Main St  
Kasson, MN 55944

## Letter of Correspondence & Record

**Subject:** New Probationary Candidate Firefighters  
**Staff:** Brandon Chalstrom  
Collin Hagedorn  
Collin Hofschulte  
Bradley Patton

City of Kasson  
401 5th Street SE  
Kasson, MN 55944  
Attn: City Administrator Ibisch / Mayor McKern

Mr. Ibisch / Mayor McKern

This letter of correspondence is to inform you of a recommendation to add new members to Kasson Fire Department.

The above listed individuals have successfully completed the new hire process and have had successful background checks. It is my recommendation and the consensus of my Chief Officers that these individuals be added to the rank of Probationary Firefighter for Kasson Fire Department. This probationary status will be no longer than 18 months.

This is being submitted for City Administrator approval to be followed by approval of the Kasson City Council on May 26, 2021.

Upon City approval and endorsement, the above individuals start date will be JUNE 07, 2021

Should you have any questions, please feel free to contact me at (507) 517-4113.

Regards,

Joe Fitch – Fire Chief  
Kasson Fire Department

*The mission of Kasson Fire Department is to provide life safety and hazard response to the citizens and visitors of the community we serve, in a safe, professional and ethical manner. Our focus will be to actively engage in prevention, public education, risk management, emergency response, code enforcement, fire investigation and professional development.*

Chris Purdue  
812 2<sup>nd</sup> Ave NW  
Byron, MN 55920

5/7/2021

Josh Hanson  
Chief of Police  
Kasson Police Department  
19 E Main St  
Kasson, MN 55944

Dear Chief Hanson,

I would like to tender my resignation as a Police Officer with the Kasson Police Department effective 5/21/21. I am grateful for having the opportunity to serve the community as a part time officer for the last 12 months and I offer my best wishes for its continued success.

Sincerely,



Chris Purdue



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THE CMPAS LEGEND

GOVERNMENT AFFAIRS NEWS

MID-MAY 2021

## **MN Heads into Special Session with “Numbers-Only” Deal Agreement**

With the nation’s only divided state government, our state marks the fifth in six budget-setting years that a special session is needed for legislators to pass a budget. Anticipating that Governor Walz would extend his emergency powers another month, it’s not all that surprising that legislators did not feel an urgency to finish by the Constitutional deadline since they would have to return in June anyway.

The self-imposed May 7 deadline to provide conference committee budget targets came and went with no agreement. However, on the very last day of session, May 17, a budget deal was reached with a “numbers-only agreement” that amounts to a roughly \$51.2 billion 2022-23 biennial budget, a \$1.3 billion increase over base.

The agreement does not tackle any policy differences, and in the upcoming special session, bills must be introduced anew for consideration. Legislators will have about six weeks to craft a biennial budget to avoid a full or partial state government shutdown starting July 1. Partial shutdowns took place in 2005 and 2011.

The legislative leaders announced their expectation that working groups will complete their spending plans by 5 p.m. Friday, May 28, and agree upon all the language and policy provisions by Friday, June 4.

Per the agreement, “Any policy and finance provisions included in a final omnibus finance bill must be agreed upon by the Governor, Speaker of the House and Senate Majority Leader.”

Of the nearly \$3 billion Minnesota will receive through federal coronavirus relief aid, the Legislature will decide how \$1.23 billion will be spent. To date, it seems Walz will control how the remaining dollars are spent. Other highlights of the proposal include \$934 million in tax relief for small businesses who received Paycheck Protection Plan loans and for individuals that receive unemployment insurance benefits during the pandemic.

## **Energy Conservation Optimization (ECO) Act HF 164/SF 227 Awaits Governor’s Signature**

After more than a decade of trying to change or reform Minnesota’s 2007 Conservation Improvement Program, the state’s electric utility industry finally broke the barrier. Many

factors were involved, but one of the greatest to achieving particular success in 2021 was the electric utility industry's insistence on passing a comprehensive reform bill as a standalone piece of legislation. For the past three years, we've insisted that the Energy Conservation and Optimization Act or – ECO Act – not be caught up in other electric utility policy “horse trades”.

The ECO Act expands CIP to include load management and limited efficient fuel choice options. It allows utilities to offer consumers programs for beneficial electrification projects, such as electric vehicles, heat pumps, and electric water heaters. Many utilities, especially in the metro area, are expected to use rate formulas to encourage smart technology use and CO<sub>2</sub> reductions.

Below is a summary of key points and key dates:

- 1.5% of annual retail energy sales stays the same for customer-owned utilities (COUs)
- .95% of efficiency must come from conservation practices for COUs
- .55% of efficiency can be EUI, load management, fuel-switching for COUs
- The overall MN economy-wide energy savings goal is increased from 1.5 to 2.5 percent
- The minimum spend requirement does not need to be tracked but can be reinstated to an individual COU if the COU fails to meet its savings goal for three consecutive years, unless the commissioner finds mitigating circumstances.
- COUs will see no change in their low-income requirements, whereas IOUs will see an immediate increase to .2% and increasing to .6% by 2024.
- 2033 – Year that increased load from electric vehicle charging stations begins to count
- 2022 - JUN 1 – Initial ECO plan due and can be for three years
- 2023 - JUN 1 – Annual plan updates due

Be sure to congratulate and thank Kent Sulem and Bill Black, our MMUA representatives at the Capitol, for all of their work to make ECO a legislative reality.

## **Omnibus Energy Conference Committee Meets but Debate Moves into Special Session**

During a special session, the Legislature starts with a clean slate so it will be interesting to see what provisions are repeats of House and Senate Conference bills. To follow is a summary of each bodies bills that were part of the discussion at the end of regular session.

A significant amount of funding for fiscal year 2022 in the bill involves the Renewable Development Account, a state-administered fund designed expressly for the purpose of developing renewable energy sources in Minnesota. Xcel Energy pays into it with annual fees of between \$350,000 and \$500,000 for each cask of nuclear waste it stores at its Prairie Island and Monticello facilities.

The Senate bill spends \$4.2 million more from the Renewable Development account at \$89.8 million compared to the House's \$85.6 million designation. On the other hand, the House has 28 more provisions in its bill from the RDA.



## **89 People Saved MN's 8 Congressional Seats and 10 Electoral College Votes**

The long-awaited release of the 2020 Census occurred in April, and if the State of New York had counted 89 more people, it would have kept its seat, and MN would have lost one instead. As it is, we narrowly escaped losing a Congressional seat by an even closer margin than in 2010.

In May, a 19-member House and 8-member Senate Redistricting committees began work to meet the February 15, 2022 deadline to enact the new legislative district plan. According to an overview from nonpartisan staff to lawmakers, Minnesota's population grew 7.6% from 2010 to 2020 (now at 5,706,494), which was slightly more than the 7.4% national average. The size of each House and Senate district in the state will also grow once redistricting is complete.

The "ideal" House district will now have a population of 42,586 – up from 39,582 in 2010 – while the ideal Senate district will be 85,172 – up from 79,163.

In Minnesota, which has the nation's only divided Legislature, redistricting could very easily shift control of the House or Senate from one party to the other following the next election.

With so much riding on the outcome, it's perhaps not surprising that —more often than not over the last several decades in MN — courts have had to step in to make the final determinations after lawmakers were unable to agree on a new map.

## **Administrative Law Judge approves Clean Cars rule**

The Minnesota Pollution Control Agency (MPCA) is working to adopt a new rule to reduce vehicle emissions and make more electric vehicles available to consumers in Minnesota, known as the Clean Cars Minnesota rulemaking.

On May 7, the MPCA received the administrative law judge's report approving the proposed rule:

"The MPCA established it has the statutory authority to adopt the proposed rules, it complied with all procedural requirements of law and rule, and that the proposed rules are needed and reasonable. Therefore, the Administrative Law Judge **APPROVES** the proposed rules and recommends they be adopted."

## **Did You Know?**

According to U.S. Energy Information Administration there are 0.92 pounds of CO2 emissions per kWh.

## HOUSE Bills

**HF 10** (Stephenson – D, Long; Frazier; Reyer; Acomb; Christensen; Bahner; Hassan; Bernardy; Hanson, J; Carlson; Greenman) Establishing a Clean Energy First. **H** Climate and Energy Finance and Policy; Adopt as amended; Second Reading.

**HF 43** (Quam – R; Gruenhagen) **SF 322** (Senjem – R; Champion) Prohibiting aggregation of parcels of land in regulatory takings cases. **H** Judiciary Finance and Civil Law - **S** Civil Law and Data Practices Policy.

**HF 70** (Freiberg – D, Reyer, Lippert) **SF 543** (Frentz – D; Bigham; Pappas) Renewable Development Account Provision \$5 M: Establishing a revolving loan fund for energy conservation in state buildings; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C. **H** Climate and Energy Finance and Policy; Amended and re-referred to State Government Finance and Elections; Amended & re-referred to Climate – **S** Energy & Utilities Finance & Policy.

**HF 164** (Stephenson – D; Garofalo; Acomb; Long; Ecklund; Davids; Bennett; Bierman; Christensen; Lillie; Urdahl; Lippert; Bahner; Boe; Feist; Xiong J; Hollins; Moller) **SF 227** (Rarick – R; Hoffman; Nelson; Bakk; Senjem) Establishing the Energy Conservation and Optimization Act of 2021. **H** (88-46) Also in H Omnibus Energy Bill –**S** General Orders SF 227 (58-9).

**HF 168** (Lee – D; Hassan; Lippert; Feist; Becker-Finn; Keeler; Jordan; Wazlawik; Hollins; Her) **SF 186** (Champion – D; Marty; Dziedzic) Modifying requirement to analyze and consider cumulative pollution before issuing air quality permit. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Policy and Legacy Finance.

**HF 191** (Koznick – R; Jurgens; Bierman) **SF 141** (Goggin – R; Duckworth; Carlson) Byllesby Dam infrastructure construction funding provided, and money appropriated. **H** Environment and Natural Resources Finance and Policy; Adopted and re-referred to Climate and Energy Finance and Policy. **S** Referred to Energy and Utilities Finance and Policy.

**HF 215** (Lislegard – D; Stephenson, Lueck, Davids, Bennett, Urdahl, Akland, Robbins) **SF181** (Rarick – R, Hoffman) Exempt from inspection requirements to repair or replace load management equipment that received initial inspection. **H** Labor, Industry, Veterans and Military Affairs Finance and Policy - **S** Labor and Industry.

**HF 266** (Mortensen – R) All occupational licensing voided, and revisor instructed to prepare legislation. **H** State Government Finance and Elections.

**HF 239** (Stephenson – D) **SF 421** (Senjem - R) To create a fund to provide loans and grants to local governments for repair or reconstruction of critical infrastructure affected by a disaster.

**HF 239** (Stephenson – D; Bierman) **SF 421** (Weber – R; Rarick; Frentz) General Fund: Establishing the Natural Gas Innovation Act; encouraging natural gas utilities to develop innovative resources. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy; Amended and re-referred to Finance; Passed and Second Reading.



**HF 248** (Wazlawik – D; Fischer) **SF 606** (Chamberlain – R) Requiring Pollution Control Agency to hold a public hearing under certain circumstances. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Policy and Legacy Finance.

**HF 252** (Quam – R) **SF 305** (Senjem – R; Kiffmeyer) Appropriating money for a feasibility study on the use of hydrogen produced by nuclear power plants in MN. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 254** (Lueck – R; Igo; Lislegard; Grossell) **SF 386** (Ruud – R; Eichorn; Bakk; Utke) Establishing the Worker Safety and Energy Security Act; providing for criminal penalties. **H** Public Safety and Criminal Justice Reform Finance and Policy – **S** Judiciary and Public Safety Finance and Policy.

**HF 257** (Wazlawik – D; West; Heinrich) **SF 2267** (Housley – R; Newton) Relating to real property; prohibiting certain restrictions on the use of residential solar energy systems. Sections 515.07; 515B.2-103; 515B.3-102; proposing coding for new law in Minnesota Statutes, chapter 500. **H** Climate and Energy Finance and Policy; Amended and re-referred to Judiciary Finance and Civil Law; Amended and re-referred to Climate and Energy Finance and Policy – **S** Civil Law and Data Practices Policy.

**HF 266** (Mortensen – R) To restrict the state from enforcing any laws related to occupational licenses issued by a state agency or board and to require the revisor of statutes to prepare legislation to repeal all laws related to occupational licensing.

**HF 278** (Long – D; Stephenson; Acomb; Lippert; Lee; Bernardy; Freiberg; Frazier; Bahner; Edelson; Reyer; Howard; Olson, L; Agbaje; Murphy; Davnie; Hausman; Berg; Pinto; Hanson, J; Xionh, J; Boldon; Becker-Finn; Keeler; Moller; Feist; Christensen; Bierman; Elkins; Hollins; Frederick; Wolgamott; Schultz; Wazlawik; Jordan) **SF 643** (Frentz – D; Torres Ray; Dibble; Port; McEwen) General Fund: One hundred percent Clean Energy Standard Modifying electric utility renewable energy standard obligations; modifying Public Utility Commission authority to issue site permits for electric generation facilities. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 311** (Wolgamott – D) **SF 291** (Jasinski – R) Relating to capital investment; appropriating money for the greater Minnesota business development public infrastructure grant program; authorizing the sale and issuance of state bonds. **H** Capital Investment – **S** Capital Investment.

**HF 325** (Masin – D; Youakim; Elkins; Huot, Klevorn) **SF 33** (Cwodzinski – D; Bigham) Repeal the limit on political subdivision employment compensation. **H** State Government Finance and Elections, Adopted and Second Reading. – **S** State Government Finance and Policy and Elections.

**HF 395** (Heintzman – R; Lueck; Novotny; Scott; Gruenhagen; Johnson; Heinrich; Akland; Bennett; Theis; O'Neill; Daniels; Swedzinski; Mueller; Koznick; Igo; Lucero; Rasmusson) **SF 450** (Mathews – R; Johnson; Utke; Jasinski; Pratt) Repealing certain authority of the Pollution Control Agency related to automobile emissions. **H** Environment and Natural Resources Finance and Policy – **S** Environment & Natural Resources Policy & Legacy Finance.

**HF 413** (Olson, L – D; Lippert; Sundin; Murphy; Boldon; Ecklund) **SF 929** (Nelson – R; Putnam) Relating to economic development; appropriating money for the Minnesota Initiative Foundations. **H** Workforce and Business Development Finance and Policy; Adopted and re-referred to Early Childhood Finance and Policy – **S** Jobs & Economic Growth Finance & Policy.



**HF 420** (Lucero – R; Theis) Abolishing prohibition on issuing certificate of need for new nuclear plant. **H** Climate and Energy Finance and Policy.

**HF 491** (Koegel - D) Establishing licensing for journeyworker insulators. **H** Labor, Industry, Veterans, and Military Affairs Finance and Policy.

**HF 503** (Lee – D; Jordan; Wazlawik) **SF 769** (Dziedzic) Requiring public hearing every five years for non-expiring air emission permits. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Policy and Legacy Finance.

**HF 533** (Gruenhagen – R; Erickson; Bennett; Dettmer; Boe; Backer; Lucero; Bahr) **SF 1264** (Draheim – R; Hoffman; Abeler; Dornink) Prohibiting employers from discipline or discharge for employee or applicant refusal to immunize; providing civil action remedies. **H** Labor, Industry, Veterans and Military Affairs Finance and Policy - **S** Labor and Industry Policy.

**HF 539** (Quam – R) Establishing a revolving loan fund to facilitate the dredging of lakes to improve water flow for hydroelectric projects; requiring a report. **H** Climate and Energy Finance and Policy.

**HF 550** (Jordan – D; Acomb; Becker-Finn; Wazlawik; Keeler; Boldon; Hanson J; Edelson; Her; Long; Moller; Lee; Lippert; Liebling; Feist) **SF 666** (Port – D; Wiger; McEwen; Kunesh; Isaacson) Requiring school districts and charter schools to provide climate justice instruction. **H** Education Policy – **S** Education Finance and Policy.

**HF 560** (Urdahl – R) **SF 1155** (Newman – R; Coleman) Authorizing grants to certain cities for facade preservation in historic commercial districts; appropriating money. **H** State Government Finance and Elections - **S** Capital Investment.

**HF 646** (Lee – D; Hassan; Xiong J; Huot; Howard; Hausman; Davnie; Hollins; Becker-Finn; Agbaje; Loing; Vang; Her) **SF 1050** (Torres Ray – D) Bus deployment governed in the seven-county metropolitan area based on vehicle emissions. **H** Transportation Finance and Policy – **S** Transportation Finance and Policy.

**HF 653** (Acomb – D; Stephenson; Ecklund) **SF 1666** (Rarick – R; Rosen; Tomassoni; Frentz) Modifying solar siting provisions governing community solar gardens. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 665** (Backer – R) **SF 1787** (Westrom – R) Relating to taxation; sales and use; exempting certain sales of electricity. **H** Taxes - **S** Taxes.

**HF 700** (Lippert – D; Vang) **SF 1051** (Torres Ray - D; Kunesh; Isaacson) Requiring report to set goals for carbon sequestration in public and private forests. **H** Environment and Natural Resources Finance and Policy **S** Mining and Forestry Policy.

**HF 746** (Hornstein – D) **SF 922** (Marty – D; McEwen; Eaton) Amending the biomass technologies that contribute to a utility's renewable energy standard obligation (waste energy). **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.



**HF 751** (Acomb – D; Christensen; Long) **SF 936** (Dibble – D; Marty) General Fund: Establishing beneficial building electrification goals to reduce greenhouse gas emissions and improve public health. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 768** (Swedzinski – R; Kresha, Mueller, Theis, Robbins, Elkins, Boe) **SF 216** (Rarick – R, Draheim, Wiger) Exempt from sales tax building or construction materials, supplies, and equipment purchased by a contractor or builder and used in projects for local governments and certain other entities. **H** Taxes – **S** Taxes.

**HF 802** (Morrison – D; Pryor; Hassan; Xiong, T; Lillie; Her; Sandell; Vang; Carlson; Hornstein; Fischer; Noor; Thompson; Koegel; Mariani; Greenman; Gomez; Feist; Hollins; Freiberg; Masin) **SF 1713** (Isaacson - D; Marty; Wiklund; Eaton; Newton) Modifying electric utility renewable energy standard obligations; modifying Public Utility Commission authority to issue site permits for electric generation facilities. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 804** (Sundin - D) **SF 582** (Rarick – R) Bioincentive program modification and appropriation. **H** Agriculture Finance and Policy; Adopted and re-referred to Climate and Energy Finance and Policy. **S** Agriculture and Rural Development Finance and Policy; No recommendation, re-referred to Energy and Utilities Finance and Policy; Passed and re-referred to Agriculture and Rural Development Finance and Policy.

**HF 820** (Koegel – D; Bernardy) **SF 852** (Jasinski – R; Howe, Koran, Duckworth, Newton) Open Meeting Law; recording votes and interactive technology provided, meetings provided for during emergencies, and member of public body allowed to attend a meeting from a private location more than three times in calendar year 2021. **H** State Government Finance and Elections – **S** Local Government Policy.

**HF 831** (Long – D; Stephenson; Edelson; Berg) **SF 2077** (Senjem -R) General Fund: Building standard net zero by 2036. **H** Labor, Industry, Veterans and Military Affairs Finance and Policy; Adopt and Re-refer to Climate and Energy Finance and Policy – **S** Labor and Industry Policy.

**HF 851** (Demuth - R) **SF 620** (Howe-R) For purposes of Government Data statutes, change the definition of "public official," to include managers, chiefs, heads or directors of departments, divisions, bureaus, or boards & any equivalent positions to include those of cities with populations of less than 7,500. **H** Judiciary Finance & Civil Law - **S** Civil Law & Data Practices Policy

**HF 877** (Green – R; Lucero) To eliminate the PCA's and DNR's existing authority to promulgate rules; to repeal their existing rules, unless enacted by the Legislature. **H** Environment and Natural Resources Finance and Policy

**HF 912** (Acomb – D; Jordan; Long) Extending the period covered by the cold weather rule **H** Climate and Energy Finance and Policy. Heard on February 9.

**HF 977** (Acomb – D; Hornstein; Jordan; Lippert; Long) Establishing a loan fund for solar energy systems in state buildings. Referred to the Committee on Commerce Finance and Policy.

**HF 985** (Koznik – R; Petersburg; Lucero) **SF 948** (Johnson – R; Osmek; Koran; Howe) Requiring users of electric vehicle charging stations on the State Capitol complex to pay for the electricity



consumed by the vehicle. **H** State Government Finance and Elections – **S** State Government Finance and Policy and Elections.

**HF 1031** (Stephenson – D; Long, Lee) **SF 972** (Dahms – R, Senjem) Establishing the Governor's budget for Department of Commerce and Public Utilities Commission activities; modifying various provisions governing commerce and energy policy; appropriating money. **H** Commerce Finance and Policy – **S** Commerce and Consumer Protection Finance and Policy.

**HF 1037** (Wazlawik – D) Requiring certain physical measurements of air emissions and reporting of emission-related statistics. Referred to the Committee on Environment and Natural Resources Finance and Policy.

**HF 1070** (Baker – R; Ecklund; Lislegard) **SF 1015** (Lang – R; Rosen; Tomassoni; Bakk; Gazelka) Establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1076** (Hansen – D; Lee, Morrison, Acomb, Lippert, Fischer, Ecklund, Becer-Finn) **SF 959** (Ingebrigtsen, Ruud) Appropriating money for environment, natural resources, and tourism; modifying disposition of certain receipts, appropriations, funds, and accounts; modifying state park and fishing contest provisions; modifying and establishing fees; eliminating duplicate reporting; modifying certain grant programs; providing for environmental justice considerations; modifying requirements for labeling items as biodegradable or compostable; modifying enforcement authority; establishing Landfill Responsibility Act; modifying provisions for conveying state land interests; adding to and deleting from state parks and recreation areas; authorizing sales of certain state lands. **H** Environment & Natural Resources Finance & Policy; Amended and adopted; Re-referred to Ways and Means, Adopted; Second reading; Substituted with SF 959; General Register – **S** Environment & Natural Resources Finance; Amended and passed; Re-referred to Finance, amended and passed; Second reading, amended; Third Reading, passed 37-29. See SF814, Sec. 36, 95-102.

**HF 1089** (Masin – D) **SF 324** (Carlson -D) Requiring that all motor vehicles utilized at airports operated by the Metropolitan Airports Commission be all-electric vehicles by 2030. **H** Transportation Finance and Policy - **S** Local Government Policy.

**HF 1093** (Lee -D) **SF 1745** (Torres Ray – D; Hawj; Dibble; McEwen; Eaton) Establishing Environmental Justice Board in Pollution Control Agency. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Policy and Legacy.

**HF 1118** (Agbaje – D; Vang) **SF 1954** (Port – D; Fateh; Dziedzic) Adding rehabilitation of naturally occurring affordable housing to allowable uses of housing infrastructure bonds. **H** Housing Finance and Policy; Adopted and re-referred to Capital Investment – **S** Housing Finance & Policy.

**HF 1135** (Bierman – D; Boe) **SF 1018** (Senjem – R; Nelson) Eliminating the sunset for recovery of gas utility infrastructure costs. **H** Climate & Energy Finance & Policy – **S** Energy and Utilities Finance and Policy; Third Reading 66-0; Passed to House and referred to **H** Climate & Energy Finance & Policy.

**HF 1140** (Elkins – D) **SF 1544** (Jasinski – R) Relating to Open Meeting Law; modifying terminology and requirements related to meetings conducted through the use of telephone or



interactive technology. **H** State Government Finance and Elections; Amended and in Second Reading on House Floor – **S** Local Government Policy; Amended and in Second Reading on Senate Floor.

**HF 1154** (Lislegard – D; Stephenson) **SF 1353** (Westrom - R; Tomassoni; Osmek; Senjem) Appropriating money for an ammonia production pilot demonstration project; appropriating money for a grant to the Mountain Iron Economic Development Authority to expand a city-owned building housing a solar panel manufacturer. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1172** (Lippert – D) Renewable Development Account Provision: Requiring the Public Utilities Commission to develop incentives for utilities to interconnect third-party distributed energy resources. Described in H Finance Spreadsheet as Northfield Energy Upgrades/Task Force **H** Climate and Energy Finance and Policy.

**HF 1189** (Long – D; Stephenson) **SF 2322** (Frentz – D) Creating a process regulated by the Public Utilities Commission allowing electric utilities to reduce the cost impacts on customers when generating plants are retired; establishing an account; providing for transition services to workers at retiring electric generating plants. **H** Climate and Energy Finance and Policy BE161 Heard on FEB 2 – **S** Energy and Utilities Finance and Policy.

**HF 1211** (Ecklund – R; Swedzinski) **SF 204** (Ingebrigtsen – R; Ruud) Establishing setbacks for certain solar energy generating systems. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1226** (Acomb – D) **SF 2452** (Frentz – D) Eliminating the renewable qualifying facility avoided cost pricing requirement. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1255** (Hansen, D – D; Ecklund; Her; Pinto; Boe; Becker-Finn; Fischer; Lippert; Jurgens; Acomb) **SF 1047** (Senjem – R; Newton) Authorizing a power purchase agreement for certain electric cogeneration activities. **H** Environment and Natural Resources Finance and Policy; Adopted and re-referred to Climate and Energy Finance and Policy; Amended and passed to floor; (87-46) – **S** Energy and Utilities Finance and Policy; Passed to Floor (66-0) and included **S** Omnibus Energy bill.

**HF 1256** (Acomb – D; Her) **SF 1667** (Rarick – R) Special Revenue Fund: Establishing the Minnesota efficient technology accelerator to benefit Minnesota utility consumers by accelerating deployment and reducing the cost of emerging and innovative efficient technologies. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1270** (Lee – D; Vang) **SF 1259** (Chamberlain – R; Hoffman; Champion; Pratt; Housley) Renewable Development Account Provision: Appropriating funds for a pilot project to train youth from underserved communities for careers in the clean energy sector. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1289** (Hollins – D; Hornstein; Acomb) **SF 1621** (Frentz – D) General Fund: Modifying provisions providing for a participant's compensation in certain Public Utilities Commission proceedings. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance & Policy.

**HF 1311** (Youakim – D) **SF 1799** (Senjem – R; Latz) Allowing for energy improvement project special assessments. **H** Committee on Taxes – **S** Committee on Taxes.



**HF 1323** (Acomb – D) **SF 1977** (Johnson, S. – D) Establishing a loan fund for solar energy systems in state buildings; appropriating money; authorizing the sale & issuance of state bonds. **H** Committee on Capital Investment – **S** State Government Finance & Policy & Elections.

**HF 1342** (Noor – D; Ecklund) **SF 1098** (Pratt – R; Rarick) Establishing the governor's budget for jobs and economic development; appropriating money for the Departments of Employment and Economic Development and Labor and Industry. **H** Workforce & Business Development Finance & Policy – **S** Jobs & Economic Growth Finance & Policy; Amended and re-referred to Finance.

**HF 1394** (Lippert – D) **SF 36** (Draheim - R; Jasinski) Commissioner of Transportation to consider purchase of tires made from biomass-based or renewable materials requirement. **H** Transportation Finance and Policy. **S** Transportation Finance and Policy.

**HF 1397** (Long – D) **SF 1508** (Rarick – R) Modifying the community solar garden program. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance & Policy.

**HF 1423** (Christensen – D; Acomb; Lee; Lippert; Pryor) Renewable Development Account Provision: Appropriating money to install solar photovoltaic devices in certain state parks. **H** Committee on Climate and Energy Finance and Policy, No Senate Companion.

**HF 1427** (Acomb – D; Keeler; Vang; Youakim; Moller; Bierman; Hausman; Feist; Hollins; Pryor; Xiong, J.) **SF 2144** (Miller – R; Rarick; Housley) General Fund & Renewable Development Account Provision: Establishing a program to promote the use of solar energy on school building. **H** Climate and Energy Finance & Policy – **S** Energy & Utilities Finance & Policy.

**HF 1428** (Acomb – D; Jordan; Morrison; Christensen; Hornstein; Lippert; Long; Lee; Stephenson; Wazlawik; Bierman; Becker-Finn; Hausman; Agbaje; Pryor; Feist; Xiong, T; Pinto; Bernardy) **SF 1630** (McEwen - D; Dibble; Hawj; Eaton; Torres Ray) Renewable Development Account Provision: Amending state greenhouse gas reduction goals; requiring governmental actions to be consistent with state greenhouse gas reduction goals; increasing the frequency of a report. **H** Climate and Energy Finance and Policy, heard FEB 16 – **S** Energy and Utilities Finance and Policy.

**HF 1445** (Hansen, R. – D; Ecklund; Keeler; Marquart) **SF 1746** (Torres Ray – D; Hawj; Eaton; Dibble; Eken) Appropriating money for climate resiliency program. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Finance.

**HF 1473** (Franson – R) **SF 225** (Kiffmeyer – R; Utke) Abolishing prohibition on issuing certificate of need for new nuclear power plan. **H** Committee on Climate and Energy Finance and Policy – **S** Committee on Energy and Utilities Finance and Policy; Passed and sent to Senate Floor; Second Reading, and included in the **S** Omnibus Energy Bill.

**HF 1486** (Sundin – D; Igo; Bliss; Hanson, J.; Berg; Frederick; Grossell) **SF 1163** (Utke – R; Eichorn) Establishing a program to provide financial incentives for the production of wood pellets. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1507** (Hamilton – R) **SF 1412** (Weber – R) Windom tax increment financing; extending the five-year rule to ten years; extending the district duration by five years. **H** Property Tax Division - **S** Taxes.

**HF 1508** (Hamilton – R) **SF 1411** (Weber – R) Tax increment financing; extending the five-year rule for a tax increment district in the city of Mountain Lake. **H** Property Tax Division - **S** Taxes.



**HF 1556** (Mekeland – R; Lucero) **SF 301** (Kiffmeyer – R; Mathews) Allowing municipal utilities and cooperative electric associations to reduce their annual energy-savings goal; disallowing waste heat recovery converted to electricity as counting toward a municipal utility's or cooperative electric association's annual energy-savings goal. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1592** (Richardson – D; Lee; Noor; Xiong J.; Gomez; Long) **SF 1747** (Torres Ray - D; Marty) Requiring certain grantees to submit an annual diversity report; requiring utilities to submit an annual diversity report. **H** Climate and Energy Finance and Policy – **S** Energy & Utilities Finance & Policy.

**HF 1647** (Hollins – D; Becker-Finn) **SF 1751** (Kunesh – D; Frentz) Requiring the Department of Commerce to assist any tribal advocacy council on energy established by the 11 federally recognized Indian tribes in Minnesota. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1651** (Hollins – D; Olson, L) **SF 1674** (Housley – R; Frentz) Requiring all investor-owned utilities to submit a photovoltaic demand credit rider with the Public Utilities Commission. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance & Policy.

**HF 1668** (Stephenson – D, Long) **SF 1684** (Senjem) General Fund: Renewable Development Account Provision: Establishing preference for purchase of electric vehicles for state fleet; requiring certification of training of motor vehicle dealer employees; providing rebates for electric vehicle purchases; requiring certain utilities to file plans with the Public Utilities Commission to promote electric vehicles; awarding grants to automobile dealers to defray cost of manufacturer certification allowing electric vehicle sales; appropriating money. **H** Climate and Energy Finance and Policy BEO 39, FEB 18 – **S** Energy and Utilities Finance and Policy.

**HF 1734** (Hansen, R. - D) **SF 1682** (Torres Ray – D; Dibble; Eaton; McEwen) Modifying enforcement authority; providing tribal access to rural recycling grants; establishing Landfill Responsibility Act; modifying use of closed landfill investment fund; providing for environmental justice considerations in determining certain state permitting; modifying certain requirements for labeling items as biodegradable or compostable; providing for climate resiliency program; eliminating duplicate reporting; appropriating money. **H** Environment and Natural Resources Finance and Policy - **S** Environment and Natural Resources Policy and Legacy Finance.

**HF 1750** (Christensen – D; Long; Lislegard; Acomb; Lee; Igo; Mekeland; Hollins) **SF 1566** (Housley – R; Chamberlain; Tomassoni; Mathews; Eichorn) Renewable Development Account Provision: Establishing the Energy Transition Legacy Office; creating an advisory committee for transition communities and workers; requiring the development of a state transition plan for communities and workers impacted by the retirement of power plants. **H** Workforce and Business Development Finance and Policy; Adopted and re-referred to Climate & Energy Finance & Policy – **S** Jobs & Economic Growth Finance & Policy; Adopted & re-referred to State Government Finance & Policy & Elections; Passed and re-referred to Energy and Utilities Finance and Policy; Passed and re-referred to Rules and Administration; Passed and re-referred to Finance.

**HF 1819** (Masin – D) **SF 1060** (Cwodzinski – D) Repealing the political subdivision compensation limit. **H** State Government Finance and Elections – **S** Local Government Policy.

**HF 1843** (Carlson – D; Youakim) **SF 578** (Weber – R; Bakk; Rest; Chamberlain) Relating to taxation; property; modifying the calculation for wind energy and solar energy production tax. **H** Subcommittee on Property Taxes – **S** Committee on State Government Finance and Policy and Elections.



**HF 1850** (Bierman – D) **SF 2026** (Frentz – D; Rest) Providing a temporary income tax credit for the purchase & installation of solar energy systems. **H** Climate & Energy Finance and Policy – **S** Taxes.

**HF 1853** (Bierman – D; Youakim) Requiring installation of electric vehicle charging stations in state parks; appropriating money. **H** Environment and Natural Resources Finance and Policy. BEO44 Heard in Climate and Energy Finance and Policy. FEB 18.

**HF 1862** (Mekeland – R) **SF 1955** (Mathews) Prohibiting a local ban on new natural gas hookups in residential construction. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1868** (Backer – R) **SF 1030** (Westrom – R) Appropriating money for an ammonia production pilot demonstration project. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities finance and Policy.

**HF 1878** (Petersburg – R) **SF 1602** (Howe -R) Imposing a tax on electric fuel distributed by a utility through an electric vehicle charging station at a public or private parking space. **H** Transportation Finance and Policy – **S** Transportation Finance and Policy.

**HF 1879** (Lippert – D; Heinrich) **SF 1678** (Pratt – R; Newton; Hoffman; Abeler) Renewable Development Account Provision: Providing for reuse and redevelopment of qualified facilities; appropriating money to retire bonds to facilitate solar project at closed (Anoka-Ramsey) landfill. **H** Climate and Energy Finance & Policy – **S** Environment & Natural Resources Finance.

**HF 1899** (Lee – D; Reyer; Freiberg; Agbaje) **SF 1918** (Dibble – D) Renewable Development Account Provision: Requiring the purchase of electric buses by the Metropolitan Council. **H** Transportation Finance and Policy – **S** Transportation Finance and Policy.

**HF 1978** (Lislegard – D; Bierman) **SF 2095** (Tomassoni – D) Renewable Development Account Provision: Appropriating money for a grant to the Mountain Iron Economic Development Authority to expand a city-owned building housing a solar panel manufacturer. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 1987** (Long - D) Modifying emissions goals for existing buildings. **H** Climate and Energy Finance and Policy.

**HF 1988** (Long – D) **SF 1931** (Howe - R) State construction and sustainability provisions changed. **H** State Government Finance and Elections – **S** State Government Finance and Policy and Elections.

**HF 2024** (Stephenson – D) **SF 1846** (Dahms – R) Modifying various provisions governing or administered by the Department of Commerce; making technical changes; requiring a report. **H** Commerce Finance and Policy; Adopted as amended; Second reading – **S** Commerce and Consumer Protection Finance and Policy; Passed as amended; Second Reading; Third reading Passed 67-0.

**HF 2028** (Hornstein – D) **SF 1797** (Dibble - D) Clarifying that Pollution Control Agency has authority to regulate greenhouse gas emissions. **H** Environment and Natural Resources Finance and Policy – **S** Environment and Natural Resources Policy and Legacy Finance.

**HF 2044** (Lippert – D; Long; Christensen; Bierman; Hornstein; Lee; Acomb; Hollins; Freiberg) **SF 1999** (Senjem – R) Renewable Development Account Provision: Establishing a nonprofit corporation to provide financing and leverage private investment for clean energy and other projects; requiring a report; appropriating money. **H** Workforce and Business Development Finance and Policy, Adopted



and re-referred to Commerce Finance and Policy, Adopted and re-referred to Climate and Energy Finance and Policy BEO62, March 2 – **S** Energy and Utilities Finance and Policy.

**HF 2052** (Lippert – D) General Fund & Renewable Development Account Provision: Modifying solar generating system siting prohibitions with respect to prime farmland; requiring a report; requiring rulemaking. **H** Climate and Energy Finance and Policy. BEO58, March 4.

**HF 2054** (Christensen – D; Lislegard; Long; Stephenson; Igo; Mekeland; Haley) **SF 1612** (Mathews – R) Requiring resource plans to include information on efforts to minimize impacts to workers due to facility retirement. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy, Passed as amended; Second reading and included in the **S** Omnibus Energy Bill.

**HF 2081** (Reyer – D; Lee; Long; Pryor; Feist; Hansen, R; Freiberg; Christensen; Bierman; Lillie) **SF 2367** (Champion – D) Requiring energy guidelines for state buildings to incorporate provisions that address resiliency with respect to climate change. **H** Capital Investment – **S** Energy and Utilities Finance and Policy.

**HF 2083** (Lippert – D; Long; Stephenson; Elkins) **SF 2027** (Senjem – R) Renewable Development Account Provision: Establishing a standard to reduce the carbon intensity of transportation fuels; setting fees; creating an account; requiring a report; appropriating money. **H** Commerce Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2108** (Long) **SF 1919** (Draheim – R; Koran; Duckworth; Lang) Relating to wells and borings; adding a definition for closed loop heat exchangers; specifying that a closed loop heat exchanger is an environmental well for purposes of chapter 103I. **H** Health Finance and Policy – **S** Health and Human Services Finance and Policy.

**HF 2109** (Long - D) **SF 2076** (Senjem - R) Renewable Development Account Provision: Appropriating money to install solar photovoltaic devices on state-owned buildings. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2110** (Long – D; Lee; Acomb; Lippert; Christensen; Bierman) **SF 2075** (Senjem – R) Modifying a public utility reporting requirement. **H** Climate and Energy Finance and Policy; Amended and re-referred to Ways and Means – **S** Energy and Utilities Finance and Policy; Amended and re-referred to Finance.

**HF 2150** (Mekeland - R) **SF 992** (Mathews – R; Rarick; Utke) Repealing energy conservation improvement program requirements. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2174** (Lee – D) **SF 2343** (Dibble – D; Johnson Stewart; Dziedzic; Kunesh; McEwen) Electric transit vehicle infrastructure appropriation bonds issued, and money appropriated. **H** Capital Investment – **S** Capital Investment.

**HF 2175** (Lee – D) **SF 1619** (Champion – D; Dziedzic) Justice Built Communities initiative appropriation. **H** Workforce and Business Development Finance and Policy – **S** Jobs and Economic Growth Finance and Policy.

**HF 2181** (Anderson – R; Urdahl; Theis) **SF 2209** (Howe – R) Relating to property tax; solar energy generating systems; classification of real property. **H** Committee on Taxes; Referred to Property Tax Division – **S** Committee on Taxes.



**HF 2200** (Vang – D) Establishing grant program to provide financial assistance to cities to address climate change. Referred to the Committee on Environment and Natural Resources Finance & Policy.

**HF 2216** (Long – D; Baker; Sandstede) **SF 2132** (Senjem – R; Bakk; Nelson) Establishing a loan program for municipal utilities paying unusually high prices for natural gas in February 2021; establishing a program to defray high natural gas bills from the February 2021 price spike for low-income households; appropriating money. **H** Climate and Energy Finance & Policy; Amended, adopted and re-referred to Ways and Means – **S** Energy & Utilities Finance & Policy; Amended, adopted and re-referred to Finance; Rule 2.03 referred to Rules and Administration; See SF1018, Sec. 1-2.

**HF 2220** (Noor – D, Hollins, Wolgamott, Lippert, Vang, Her, Becker-Finn, Bierman) To appropriate funds for rental assistance and utilities for eligible people. **H** Housing Finance and Policy.

**HF 2224** (Hausman – D; Vang) **SF2234** (Duckworth – D; Dziedzic) To appropriate funds for mortgage, homeowner insurance, property tax and utility payments for foreclosure prevention and the cost of expenses associated with the provision of economic support in connection with the public health emergency. **H** Housing Finance and Policy – **S** Housing Finance and Policy.

**HF 2234** (Boe - R) **SF 2416** (Housley - R) Renewable Development Account Provision: Requiring installation of electric vehicle charging stations at county government centers. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2250** (Petersburg – R) **SF 1036** (Howe – R) Amending the surcharge on all-electric vehicles; imposing a surcharge on plug-in hybrid electric vehicles; adjusting tax on motor vehicle fuels. **H** Transportation Finance and Policy – **S** Transportation Finance and Policy; Amended, passed and re-referred to Taxes.

**HF 2264** (Mekeland – R; Garofalo) **SF 2185** (Kiffmeyer – R) Prohibiting bans by political subdivisions on new natural gas or propane service to any building. **H** State Government Finance and Elections, Local Government Division - **S** Energy and Utilities Finance and Policy.

**HF 2278** (Swedzinski – R) Transferring the balance in the renewable development account to be used for low-income home energy assistance payments; transferring money. **H** Climate and Energy Finance and Policy.

**HF 2280** (Pierson – R) **SF 1796** (Weber – R; Dahms; Dziedzic) Tax-forfeited property contamination clean up grant program established and money appropriated. **H** Environment and Natural Resources Finance and Policy – **S** Jobs and Economic Growth Finance and Policy.

**HF 2282** (Mekeland – R) **SF 1969** (Kiffmeyer – R) to establish various restrictions on municipal powers to annex property. **H** State Government Finance and Elections – **S** Local Government Policy.

**HF 2303** (Christensen – D) **SF 1696** (Housley – R) Establishing electric generation transition aid; modifying the local government aid formula. **H** Taxes – **S** Taxes.

**HF 2334** (Agbaje – D; Lee) **SF 2127** (Torres Ray – D) Providing for environmental justice considerations in determining certain state permitting. **H** Environment and Natural Resources Finance and Policy.

**HF 2356** (Boe – R; Raleigh; Jurgens) Incorporating the factor of a county's proximity to a waste processing facility in various waste management provisions; defining waste to energy facility; requiring commissioner of Pollution Control Agency to reassess county recycling goals. **H** Environment and Natural Resources Finance and Policy.



**HF 2363** (Bierman - D) Federal Fund: Establishing a task force to analyze options for increasing the provision of weatherization services to low-income households; requiring a report; appropriating money. **H** Climate and Energy Finance and Policy. BEO55 March 4

**HF 2386** (Lee – D) **SF 2527** (Champion – D) Establishing a grant program to promote energy conservation and renewable energy systems in certain buildings; requiring a report; appropriating money. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2407** (Berg – D; Hanson, J., Thompson; Frederick) **SF 51** (Rest – D; Marty; dibble; Dziedzic; Port) Providing for a revenue-neutral assessment on environmental emissions; providing for refundable FICA and property tax credits; providing for credits against income taxes to be paid as dividends; authorizing loans for energy efficiency and renewable energy projects; providing rulemaking authority; requiring reports; appropriating money. **H** Climate and Energy Finance and Policy – **S** Energy and Utilities Finance and Policy.

**HF 2420** (Acomb – D) Renewable Development Account Provision: Appropriating money for grant to University of Minnesota to generate projections of climate variables across the state through end of this century. **H** Climate & Energy Finance & Policy. Never Had a Hearing

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**HF 2427** (Green) **SF 2197** (Utke – R) Face mask-wearing in the workplace requirement limitations expanded. **H** Labor, Industry, Veterans and Military Affairs Finance and Policy **S** Labor and Industry Policy.

**HF 2454** (Nelson, N) **SF 2248** (Rarick – R) Permitting the city of Mora to increase the membership of its Public Utilities Commission. **H** State Government Finance and Elections **S** Local Government Policy.

**HF 2468** (Hansen, R – D) To establish programs and appropriate funds to provide financial assistance to local unities of government to implement climate adaption and resiliency programs, control water volume and rates to protect infrastructure, and mitigate climate change impacts. **H** Environment and Natural Resources Finance and Policy

**HF 2538** (Stephenson – D) **SF 2422** (Senjem – R) Motorboat with zero net greenhouse gas emissions preference for purchase establishment. **H** State Government Finance and Elections **S** State Government Finance and Elections.

**HF 2628** (Torkelson - R) **SF 2543** (Dahms - R) Regulating motor vehicle self-insurance for cooperatives. **H** Commerce, Finance, and Policy – **S** Commerce and Consumer Protection Finance and Policy.

#### **H Climate and Energy Finance and Policy Unnumbered Bills Heard**

BE078 (Her – D) March 16: Regarding microgrid study

HF XXXX BE076 (Hollins – D) March 11: Requiring public utilities to deploy energy storage systems

HF XXXX BEO63 (Long – D) March 9: Modifying the community solar garden program.

HF XXXX BEO51 (Stephenson – D) March 4: Exempting certain wind and solar projects from the certificate of need; amending the definition of solar energy generating system, adding factors the

commission must consider in approving sites and routes for electric generating plants, requiring the installation of lighting systems for certain wind turbines.

HFXXXX BEO 53 (Bierman - D) FEB 25 :Requiring new construction and major remodeling of residential structures and parking facilities to contain electrical infrastructure to allow for the build-out of electric vehicle charging stations.

BEO48 (Hollins – D) FEB 18: General Fund: Allowing a public utility to file a program with the Public Utilities 1.3 Commission to promote the deployment of electric school buses

BEO86 (Lislegard - D) General Fund: Buy Clean Buy Fair Minnesota Act. Heard March 26, 2021

No Bill or Draft Number (Her – D) Renewable Development Account Provision: St. Thomas Microgrid

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## SENATE Bills

**SF 51** (Rest – D) **HF 2407** (Berg - D)

**SF 33** (Cwodzinski – D) **HF 325** (Masin – D)

**SF 65** (Cwodzinski – D; Marty) Establishing appointment confirmation through senate inaction. **S** State Government Finance and Policy and Elections

**SF 141** (Goggin – R) Byllesby Dam appropriation. **S** Energy and Utilities Finance and Policy.

**SF 181** (Rarick – R) **HF 215** (Lislegard – D)

**SF 204** (Ingebrigtsen - R) **HF 1211** (Ecklund – R; Swedzinski)

**SF 216** (Rarick – R) **HF 768** (Swedzinski – R)

**SF 225** (Kiffmeyer – R) **HF 1473** (Franson – R)

**SF 227** (Rarick – R) **HF 164** (Stephenson – D)

**SF 291** (Jasinski – R) **HF 311** (Wolgamott – D)

**SF 301** (Kiffmeyer - R) **HF 1556** (Mekeland – R)

**SF 305** (Senjem – R) **HF 252** (Quam – R)

**SF 322** (Senjem - R) **HF 43** (Quam – R)

**SF 324** (Carlson -D) **HF 1089** (Masin – D)

**SF 338** (Dibble - D) Modifying the definition of biomass as an eligible energy technology; increasing the proportion of energy that electricity-generating utilities must supply from renewable sources and setting target dates by which those goals must be achieved. **S** Energy and Utilities Finance and Policy.

**SF 355** (Mathews – R) Creating liability and vicarious liability for trespass to critical infrastructure; creating a crime for recruiting or educating individuals to trespass on or damage critical infrastructure. **S** Judiciary and Public Safety Finance and Policy.



**SF 381** (Fateh – D; Marty; Johnson Stewart; Senjem) Prohibiting certain restrictions on the use of residential solar energy systems. **S** Civil Law & Data Practices Policy.

**SF 421** (Weber – R) **HF 239** (Stephenson – D)

**SF 450** (Mathews – R) **HF 395** (Heintzman – R) **S** Environment and Natural Resources Policy & Legacy Finance; Passed and re-referred to **S** State Government Finance & Policy & Elections.

**SF 543** (Frentz – D) **HF 70** (Freiberg) In the **H** Omnibus Energy Bill **S** Omnibus Energy Bill

**SF 578** (Weber – R) **HF 1843** (Carlson – D; Youakim) **S** Passed State Government Finance and Policy and Elections; Re-referred to Taxes

**SF 582** (Rarick – R) **HF804** (Sundin – D)

**SF 606** (Chamberlain – R) **HF 248** (Wazlawik – D)

**SF 620** (Howe – R) **HF 851** (Demuth – R)

**643** (Frentz – D) **HF 278** (Long – D)

**SF 666** (Port – D) **HF 550** (Jordan – D)

**SF 769** (Dziedzic – D) **HF 503** (Lee – D)

**SF 910** (Draheim – R) To prohibit the Department of Labor & Industry from adopting building codes unless approved by law or adopting energy codes unless it determines that any increased cost to construction or remodeling would be offset within five years.

**922** (Marty – D) **HF 746** (Hornstein – D)

**SF 929** (Nelson – R) **HF 413** (Olson, L - D)

**SF 948** (Johnson – R) **HF 985** (Koznik – R)

**SF 955** (Senjem – R) Clean Energy First: Requiring electric utilities to meet resource needs using carbon-free resources; requiring a study; requiring a cost of service evaluation; amending Minnesota Statutes 2020, sections 216B.03; 216B.16, subdivisions 6, 13; 216B.1645, subdivisions 1, 2; 216B.1691, subdivision 9; 216B.2422, subdivisions 1, 2, by adding subdivisions; 216B.243, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2020, section 216B.2422, subdivision 4. **S** Energy and Utilities Finance and Policy.

**SF 972** (Dahms – R) **HF 1031** (Stephenson – D; Long)

**SF 992** (Mathews – R) **HF 2150** (Mekeland - R)

**SF 992** (Newman – R) To make contested case decisions of the Office of Administrative Hearings final, rather than advisory to the referring state agency.

**SF 1015** (Lang – R) **HF 1070** (Baker – R; Ecklund; Lislegard)

**SF 1018** (Senjem – R) **HF 1135** (Bierman - D)

**SF 1030** (Westrom – R) **HF 1868** (Backer – R)

**SF 1047** (Senjem – R; Newton) **HF 1255** (Hansen, D)

**SF 1051** (Torres Ray – D) **HF 700** (Lippert – D)  
**SF 1060** (Cwodziński – D) **HF 1819** (Masin – D)  
**SF 1086** (Howe – R) **HF 2250** (Petersburg – R)  
**SF 1666** (Rarick – R) **HF 653** (Acomb – D)  
**SF 1667** (Rarick – R) **HF 1256** (Acomb – D)  
**SF 1155** (Newman – R; Coleman) **HF 560** (Urdahl – R)  
**SF 1163** (Utke – R) **HF 1486** (Sundin – D)  
**SF 1259** (Chamberlain – R) **HF 1270** (Lee – D)  
**SF 1264** (Draheim – R) **HF 533** (Gruenhagen – R)

**SF 1295** (Howe – R) To prohibit inspectors from enforcing 2020 NEC provisions requiring 250-volt GFCI receptacles, setting outdoor outlet requirements, and requiring exterior disconnects on new and upgraded electrical services.

**SF 1353** (Westrom – R) **HF 1154** (Lislegard – D)  
**SF 1411** (Weber – R) **HF 1508** (Hamilton – R)  
**SF 1412** (Weber – R) **HF 1507** (Hamilton – R)  
**SF 1508** (Rarick – R) **HF 1397** (Long – D)  
**SF 1544** (Jasinski – R) **HF 1140** (Elkins – D)

**SF 1564** (Rosen – R; Gazelka; Nelson) Modifying the federal funds request process; adjusting the process for reviewing federal funds expenditures; changing the membership of the Legislative Advisory Commission. **S** State Government Finance and Policy and Elections; Passed and re-referred to Finance.

**SF 1566** (Housley - R) **HF 1750** (Christensen – D; Long; Lislegard; Acomb; Lee; Igo; Mekeland)  
**SF 1602** (Howe -R) **HF 1878** (Petersburg – R)  
**SF 1612** (Mathews - R) **HF 2054** (Christensen – D)  
**SF 1621** (Frentz - D) **HF 1289** (Hollins – D)  
**SF 1630** (McEwen) **HF 1428** (Acomb – D)  
**SF 1666** (Rarick – R) **HF 653** (Acomb – D)  
**SF 1667** (Rarick – R) **HF 1256** (Acomb – D) **S** In the Omnibus Energy Bill  
**SF 1674** (Housley – R; Frentz) **HF 1651** (Hollins – D; Olson, L)  
**SF 1678** (Pratt – R) **HF 1879** (Lippert – D; Heinrich)  
**SF 1682** (Torres Ray – D; Dibble; Eaton; McEwen) **HF 1734** (Hansen, R. - D)  
**SF 1684** (Senjem – R) **HF 1668** (Stephenson – D, Long)  
**SF 1696** (Housley – R) **HF 2303** (Christensen – D)  
**SF 1713** (Isaacson – D) **HF 802** (Morrison – D)  
**SF 1745** (Torres Ray – D) **HF 1093** (Lee -D)  
**SF 1746** (Torres Ray – D) **HF 1445** (Hansen, R.)  
**SF 1747** (Torres Ray – D; Marty) **HF 1592** (Richardson – D; Lee; Noor; Xiong J.; Gomez; Long)  
**SF 1751** (Kunesh – D) **HF 1647** (Hollins – D; Becker-Finn)  
**SF 1787** (Westrom – R) **SF 665** (Backer – R)  
**SF 1796** (Weber – R) **HF 2280** (Pierson – R)  
**SF 1797** (Dibble – D) **HF 2028** (Hornstein – D)  
**SF 1799** (Senjem – R) **HF 1311** (Youakim – D)  
**SF 1822** (Dornink - R) **HF 1591** (Swedzinski – R)



**SF 1840** (Port) Extending the period covered by the cold weather rule. Referred to Committee on Energy and Utilities Finance and Policy.

**SF 1846** (Dahms – R) **HF 2024** (Stephenson – D)

**SF 1891** (Carlson – D) Modifying provisions for solar energy systems & renewable sources on state-owned buildings. S Committee on State Government Finance & Policy & Elections.

**SF 1894** (Dahms – R; Westrom) Appropriating money for grants for E15 fuel dispensing equipment. S Agriculture and Rural Development Finance and Policy.

**SF 1918** (Dibble – D) **HF 1899** (Lee – D; Reyer; Freiberg; Agbaje)

**SF 1919** (Draheim – R) **HF 2108** (Long)

**SF 1954** (Port – D) **HF 1118** (Agbaje)

**SF 1955** (Mathews – R) **HF 1862** (Mekeland – R)

**SF 1969** (Kiffmeyer – R) **HF 2282** (Mekeland – R)

**SF 1997** (Johnson, S. – D) **HF 1323** (Acomb – D)

**SF 1999** (Senjem – R) **HF 2044** (Lippert – D)

**SF 2026** (Frentz – D; Rest) **HF 1850** (Bierman – D)

**SF 2027** (Senjem – R) **HF 2083** (Lippert – D)

**SF 2074** (Senjem – R) Extending the solar energy production incentive program. S Energy and Utilities Finance and Policy. In the S Omnibus Energy bill.

**SF 2075** (Senjem – R) **HF 2110** (Long – D) H & S Omnibus Energy Bill

**SF 2076** (Senjem – R) **HF 2109** (Long – D)

**SF 2077** (Senjem – R) **HF 831** (Long – D)

**SF 2090** (Dornink – D) Appropriating money for ratepayer relief. Referred to the Committee on Energy and Utilities Finance and Policy.

**SF 2095** (Tomassoni – D) **HF 1978** (Lislegard – D)

**SF 2127** (Torres Ray – D) **HF 2334** (Agbaje – D; Lee)

**SF 2132** (Senjem – R) **HF 2216** (Long – D)

**SF 2144** (Miller – R) **HF 1427** (Acomb – D)

**SF 2156** (Housley – R) Requiring submission of a decommissioning and demolition plan for a scheduled retirement of an electric generation facility. S Energy and Utilities Finance and Policy.

**SF 2157** (Housley – R) Appropriating money for site preparation for redevelopment of the Allen S. King power plant site in the city of Oak Park Heights; authorizing the sale and issuance of state bonds. S Capital Investment.

**SF 2185** (Kiffmeyer – R) **HF 2264** (Mekeland – R)

**SF 2197** (Utke – R) **HF 2427** (Green)

**SF 2204** (Mathews – R) Modifying the community energy transition grant program; transferring money; appropriating money. S Energy & Utilities Finance & Policy.

**SF 2209** (Howe – R) **HF 2181** (Anderson – R)  
**SF 2234** (Duckworth – D) **HF 2224** (Hausman – D)  
**SF 2248** (Rarick – R) **HF 2454** (Nelson, N)  
**SF 2267** (Housley – R) **HF 257** (Wazalawik – D)  
**SF 2322** (Frentz – D) **HF 1189** (Long – D)  
**SF 2343** (Dibble – D) **HF 2174** (Lee – D)  
**SF 2367** (Champion – D) **HF 2081** (Reyer – D)

**SF 2382** (Rarick – D; Utke, Chamberlain; Mathews) Establishing a right to market-based power supply for certain customers. **S** Energy and Utilities Finance & Policy.

**SF 2416** (Housley – R) **HF 2234** (Boe – R)

**SF 2420** (Senjem – R) Electric motorboat and qualifying electric marine power train purchases energy rebates establishment appropriation. **S** Energy and Utilities Finance and Policy.

**SF 2421** (Senjem – R) Public-private partnerships for certain infrastructure projects authorization. Referred to State Government Finance and Policy and Elections.

**SF 2422** (Senjem – R) **HF 2538** (Stephenson – D)

**SF 2452** (Frentz – D) **HF1226** (Acomb – D)

**SF 2526** (Marty – D; McEwen, Torres Ray, Fateh, Dibble) Planning strategy for equitable, sustainable energy for future by 2040 requirement. Referred to Energy and Utilities Finance & Policy.

**SF 2527** (Champion – D) **HF 2386** (Lee – D)

**SF 2543** (Dahms - R) **HF 2628** (Torkelson - R) Regulating motor vehicle self-insurance for cooperatives. Referred to Commerce and Consumer Protection Finance and Policy.

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For more information, the complete 2021 MMUA log can be found here:

<https://www.mmua.org/public-policy/state/laws-and-bills>

**Blue** indicates a bill has passed at least one committee in one body.

**Yellow** indicates a bill has passed at least one committee in both bodies.

**Green** indicates a bill is in one Omnibus Energy Bill

**Pink** indicates companion bills in both Omnibus Energy Bills

**Orange** indicates bill sent to Governor

**Gray** indicates bill became law



April 6, 2021

## INFORMATION PROVIDED AS POINT OF INTEREST

Representative Jamie Long  
Chair, House Climate and Energy Finance and Policy Committee  
517 State Office Building  
St. Paul, MN 55155

RE: House Energy Omnibus Bill, HF 2110

Dear Chair Long and members of the House Climate and Energy Committee:

On behalf of Missouri River Energy Services (MRES), I want to thank you for this committee's work during this challenging legislative session. Although we may disagree on some policies, we appreciate the ongoing dialogue about how we can move together toward a clean energy future that promotes affordable and reliable energy for all Minnesotans.

The pandemic and the restrictions necessary to protect public health and to limit the spread of the virus made for a challenging committee process. Virtual meetings meant that interaction between lawmakers, stakeholders, and interested parties was very limited and in-depth discussions were almost non-existent. Given those limitations and the significant issues that this committee attempted to address, it was discouraging that many stakeholders—particularly those concerned about the impacts of legislation—were limited to two-minute testimony and that proposals that would have significant impacts on how Minnesotans receive affordable, reliable energy were not discussed in any depth. While it is understandable that limitations were necessary due to the pandemic, focusing on fewer bills in greater depth would have allowed more exploration and in-depth analysis of the truly pressing policy needs in front of the committee.

That being said, MRES appreciates the inclusion of the Energy Conservation and Optimization Act (ECO) in the bill. This is an example of complex language that was crafted and passed only after stakeholders with a variety of perspective and legislators worked together. As a result, the ECO language encompasses an agreed upon policy that advances clean energy and energy efficiency goals in a reliable and affordable manner.

MRES and its members have multiple concerns with the House Omnibus Energy bill, HF 2110, at least some of which we believe could be addressed through a more robust process in the future. We will highlight a few in this letter:

Increases to the Renewable Energy Standard. Article 2, section 11 of the Omnibus bill sets forth a 55 percent renewable energy standard (RES) by 2035. With only one hearing, lasting an hour and a half, it was impossible to discuss the implications of this dramatic escalation of the RES in such a short period of time. A few of the topic areas that should be vetted and understood before moving forward with such legislation include:

- The amount of transmission capacity that would need to be built in that short of time frame, as well as related issues of rate-payer impacts, siting and routing process streamlining, property tax reductions for transmission, the regionally planned transmission line process before the Regional Transmission Organizations (RTO), and right of way issues.
- How the Renewable Standard, or the Clean Energy Standard (CES) in Article 2, section 16 interplays with the U.S. House proposed CLEAN Future Act (HR 1512), and other proposed federal legislation. For example, the CLEAN Future Act would allow certain fossil fuel-fired generation plants to be designated as system support resources for reliability reasons. Would Minnesota utilities be able to carve those facilities out of the 55 percent RES or 100 percent CES?
- Whether the RES is necessary to address our climate goals, particularly if the state and federal government are considering clean energy standards to accomplish those same goals.

Preference for solar and wind. MRES is also concerned that the Omnibus bill creates a distinct preference for solar, wind, and battery power, rather than focusing on whatever technologies are necessary to achieve clean energy goals in a reliable and affordable manner. MRES recently completed construction of the Red Rock Hydroelectric Project and is studying a pumped storage hydroelectric project along the Missouri River in south central South Dakota. While this South Dakota potential project is still under study, preliminary estimates are that this project would exceed the 100 megawatt limit in the proposed RES. Wind, solar, and batteries should not be given a legislative preference over hydro-electric or other non-emitting resources.

As we move towards a cleaner society, any changes in the electric industry that require additional investment will impact rates. With this in mind, all legislation should be open to “all of the above” technology, so that the utilities may chose the non-emitting resources that provide the most capacity and the least cost.

Minnesota Green Bank. MRES is concerned that the Minnesota Innovation Finance Authority Task Force, AKA the “Green Bank,” set forth in Article 2, Section 4 needs further development. Although the goals for this finance authority may be worthy, the services described are largely duplicative of those already provided by existing entities including: utilities, the Public Utilities Commission, Department of Commerce, banks, credit unions, energy services personnel, non-governmental entities, wind and solar developers, Renewable Development Account, PACE programs, and others. Yet many of those voices, including consumer owned utilities, are missing from the task force and the discussion.

These are a few of our concerns with the bill. Although Minnesota faces many challenges, we urge you to not move forward with the controversial sections of the legislation without a more robust discussion of the potential impacts. Thank you for your time and consideration.

Sincerely,



Deborah Birgen  
Vice-President, Legislative and Governmental Relations.

**INFORMATION PROVIDED AS POINT OF INTEREST**



Cash and Investment Summary    Draft  
Mar-21

	1010	1011	1040	1041-2	TOTAL
	CASH	CASH- Debt Service	Investments	Money Markets	
101 General Fund	467,739		1,579,660	4,751	2,052,150
210 STABILIZATION FUND	325,268		174,000	-	499,268
211 Library Fund	103,672		90,000	445	194,117
219 Tax Abatement	(200,000)				(200,000)
225 EDA MIF FUND	109,687		-	-	109,687
226 EDA RLF	79,999				79,999
247 Assisted Living	-				-
248 Downtown	-				-
249 TIF	101,575				101,575
290 Economic Development	51,769		-		51,769
382 16th St NE	15,414				15,414
385 Aquatic Center	5,214		75,000		80,214
386 Fire Truck and Equipment	(405)				(405)
389 Oppidan Assessment	18,878				18,878
391 Oppidan/Folkestad TIF	23,114		-	-	23,114
392 GO Refunding 2015A	49,566		150,000		199,566
393 2017 Street Assessment Project	2,001		424,000	121	426,122
401 Permanent Revolving Impr Fund	37,963		1,002,750	572	1,041,285
424 Hwy 57	(556,534)				(556,534)
425 SRTS	(36,885)				(36,885)
426 16th St NW	(87,125)				(87,125)
601 Water Fund	82,239	241,217	741,450	2,592	1,067,498
602 Sewer Fund	379,178	392,019	1,439,209	358	2,210,765
604 Electric Fund	451,468	44,494	4,504,537	3,373	5,003,873
605 Storm Water	201,869	118,018	232,274	986	553,146
606 ICE ARENA	28,704		-	-	28,704
609 Liquor Fund	30,923		792,450	4,584	827,957
610 Maple Grove Cemetery	22,624		57,999	266	80,889
875 Community Policing Fund	9,571		-		9,571
877 Festival in Park Fund	20,243				20,243
	1,737,733	795,748	11,263,329	18,047	13,814,858

**Investments 1st Qtr 2021****JANUARY****TRANSFER**

RBC-Jonesboro	601	-\$24,500
RBC-Jonesboro	609	\$24,500

**FEBRUARY****CALLED**

MBS-Metropolitan	604	-\$250,000
MBS-First Natl	609	-\$100,000

**PURCHASED**

MBS- Industrial Bank	604	\$250,000
MBS- BMO Harris	609	\$100,000

**MARCH****PURCHASE**

Bremer CD	101	\$250,000
Bremer CD	601	\$125,000
Bremer CD	604	\$625,000

Rollover Bremer CD	604	\$1,287
Rollover Bremer CD	604	\$1,287
Rollover Bremer CD	604	\$643
Rollover Bremer CD	605	\$643

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 1 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Revenue						
Government Wide						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		2,362,832.00	-2,362,832.00
3107 ABATEMENT LEVY	0.00		0.00		25,897.00	-25,897.00
3210 BUSINESS LICENSES/PERMITS	-67.00	-0.03	3,108.00	0.34	13,500.00	-10,392.00
3341 LOCAL GOVERNMENT AID	0.00		0.00		1,011,000.00	-1,011,000.00
3349 MISCELLANEOUS STATE GRANT	0.00		0.00		3,869.00	-3,869.00
3410 CHARGES FOR SERVICES	1.00		2.00		1,500.00	-1,498.00
3415 CITY HALL RENT	0.00		0.00		100.00	-100.00
3621 INTEREST EARNED	514.31	0.20	5,735.75	0.63	10,000.00	-4,264.25
3622 RENTS AND ROYALTIES	956.00	0.36	2,868.00	0.32	3,000.00	-132.00
3624 MISC REVENUE - REFUNDS	40.00	0.02	41.00		1,500.00	-1,459.00
3626 MONEY MARKET INTEREST	0.39		0.51		0.00	0.51
3921 TRANSFER FROM OTHER FUNDS	0.00		0.00		16,000.00	-16,000.00
Total Department	1,444.70	0.55	11,755.26	1.30	3,449,198.00	-3,437,442.74
Planning and Zoning						
3413 ZONING/SUBDIVISION FEES	2,213.12	0.84	3,533.12	0.39	3,000.00	533.12
3624 MISC REVENUE - REFUNDS	825.00	0.31	1,800.00	0.20	5,000.00	-3,200.00
Total Department	3,038.12	1.16	5,333.12	0.59	8,000.00	-2,666.88
Cable TV						
3495 FRANCHISE ROW USE	43,347.78	16.53	43,347.78	4.78	65,000.00	-21,652.22
Total Department	43,347.78	16.53	43,347.78	4.78	65,000.00	-21,652.22
Police						
3345 POLICE/FIRE STATE AIDS	0.00		0.00		70,000.00	-70,000.00
3349 MISCELLANEOUS STATE GRANT	0.00		0.00		9,000.00	-9,000.00
3369 OTHER COUNTY GRANT	0.00		0.00		62,600.00	-62,600.00
3420 PUBLIC SAFETY	12.94		26.90		200.00	-173.10
3511 COURT FINES	1,872.45	0.71	5,400.14	0.59	18,000.00	-12,599.86
3624 MISC REVENUE - REFUNDS	0.00		762.28	0.08	4,000.00	-3,237.72
Total Department	1,885.39	0.72	6,189.32	0.68	163,800.00	-157,610.68
Fire						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		421.00	-421.00
3346 STATE FIRE AID	0.00		0.00		43,000.00	-43,000.00
3349 MISCELLANEOUS STATE GRANT	0.00		0.00		7,000.00	-7,000.00
3421 Fire Contracts	0.00		36,670.83	4.04	36,470.00	200.83
3422 SPECIAL FIRE PROTECTION S	1,960.00	0.75	5,852.50	0.64	20,000.00	-14,147.50
3623 CONTR/DONATION FROM PRIVA	15,000.00	5.72	15,000.00	1.65	0.00	15,000.00
Total Department	16,960.00	6.47	57,523.33	6.34	106,891.00	-49,367.67

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 2 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Building Inspection						
3220 NON-BUSINESS LICENSES & P	12,568.58	4.79	26,167.67	2.88	70,000.00	-43,832.33
3414 PLAN CHECK FEES	7,598.14	2.90	15,505.39	1.71	34,000.00	-18,494.61
3416 MECHANICAL INSPECTION FEE	1,076.00	0.41	2,268.00	0.25	6,000.00	-3,732.00
3417 PLUMBING INSPECTION FEES	900.00	0.34	1,620.00	0.18	2,500.00	-880.00
Total Department	22,142.72	8.44	45,561.06	5.02	112,500.00	-66,938.94
Animal Control						
3220 NON-BUSINESS LICENSES & P	150.00	0.06	375.00	0.04	1,700.00	-1,325.00
Total Department	150.00	0.06	375.00	0.04	1,700.00	-1,325.00
Highways, Streets, Roadways						
3364 COUNTY MUNICIPAL STATE AI	0.00		36,493.50	4.02	88,640.00	-52,146.50
Total Department			36,493.50	4.02	88,640.00	-52,146.50
Street Lighting						
3921 TRANSFER FROM OTHER FUNDS	0.00		0.00		65,000.00	-65,000.00
Total Department					65,000.00	-65,000.00
Parks and Recreation						
3622 RENTS AND ROYALTIES	186.26	0.07	9,998.78	1.10	2,000.00	7,998.78
Total Department	186.26	0.07	9,998.78	1.10	2,000.00	7,998.78
Swimming Pool						
3472 SWIMMING POOL FEES DAILY	0.00		0.00		101,000.00	-101,000.00
3474 CONCESSIONS	0.00		0.00		46,000.00	-46,000.00
3475 LESSONS	0.00		0.00		22,000.00	-22,000.00
3478 FACILITY RENTAL	0.00		0.00		2,500.00	-2,500.00
3480 SWIM PASSES	0.00		0.00		70,000.00	-70,000.00
3482 SWIM TEAM	0.00		0.00		1,500.00	-1,500.00
Total Department					243,000.00	-243,000.00
Other Recreational Facilities						
3473 PLAYGROUND FEES	0.00		0.00		500.00	-500.00
3479 SOFTBALL FEES	0.00		0.00		2,600.00	-2,600.00
Total Department					3,100.00	-3,100.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 3 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Park Areas</b>						
3474 CONCESSIONS	0.00		0.00		2,000.00	-2,000.00
Total Department					2,000.00	-2,000.00
Total Revenue	89,154.97	100.00	216,577.15	100.00	4,310,829.00	-4,094,251.85
<b>Expenses</b>						
<b>Council</b>						
<b>Council</b>						
101 FULL-TIME EMPLOYEES - REGULAR	1,317.63	0.50	6,688.69	0.74	31,750.00	25,061.31
121 EMPLOYER PERA CONTRIBUTIONS	98.76	0.04	350.34	0.04	1,626.00	1,275.66
122 EMPLOYER FICA CONTRIBUTIONS	70.82	0.03	382.10	0.04	1,969.00	1,586.90
123 EMPLOYER MEDICARE CONTRIBUTION	16.55	0.01	89.33	0.01	460.00	370.67
130 EMPLOYER PAID INSURANCE	444.17	0.17	1,332.48	0.15	5,400.00	4,067.52
150 WORKER'S COMPENSATION	0.00		214.00	0.02	285.00	71.00
160 LIABILITY INSURANCE	2,109.32	0.80	2,109.32	0.23	4,000.00	1,890.68
210 OPERATING SUPPLIES	305.89	0.12	305.89	0.03	150.00	-155.89
304 LEGAL FEES	3,735.00	1.42	7,200.00	0.79	9,000.00	1,800.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		2,000.00	2,000.00
334 MEMBERSHIP DUES AND FEES	0.00		2,298.00	0.25	4,500.00	2,202.00
351 LEGAL NOTICES PUBLISHING	0.00		77.22	0.01	400.00	322.78
352 GENERAL NOTICE/PUBLIC INFO	0.00		0.00		500.00	500.00
430 OTHER SERVICE/CHARGES-MISC.	15,031.38	5.73	25,235.39	2.78	15,000.00	-10,235.39
Account Total						
	23,129.52	8.82	46,282.76	5.10	77,040.00	30,757.24
Total Department	23,129.52	8.82	46,282.76	5.10	77,040.00	30,757.24
<b>Ordinances and Proceedings</b>						
<b>Ordinances and Proceedings</b>						
353 ORDINANCE PUBLICATION	77.22	0.03	77.22	0.01	500.00	422.78
430 OTHER SERVICE/CHARGES-MISC.	0.00		561.60	0.06	2,500.00	1,938.40
Account Total						
	77.22	0.03	638.82	0.07	3,000.00	2,361.18
Total Department	77.22	0.03	638.82	0.07	3,000.00	2,361.18
<b>Mayor</b>						
<b>Mayor</b>						
101 FULL-TIME EMPLOYEES - REGULAR	0.00		0.00		4,800.00	4,800.00
122 EMPLOYER FICA CONTRIBUTIONS	0.00		0.00		297.00	297.00
123 EMPLOYER MEDICARE CONTRIBUTION	0.00		0.00		70.00	70.00
Account Total						
					5,167.00	5,167.00
Total Department					5,167.00	5,167.00
<b>City Administration</b>						
<b>City Administration</b>						
101 FULL-TIME EMPLOYEES - REGULAR	9,545.38	3.64	29,487.42	3.25	131,000.00	101,512.58
121 EMPLOYER PERA CONTRIBUTIONS	715.92	0.27	2,211.39	0.24	9,826.00	7,614.61
122 EMPLOYER FICA CONTRIBUTIONS	548.49	0.21	1,699.77	0.19	8,122.00	6,422.23
123 EMPLOYER MEDICARE CONTRIBUTION	128.25	0.05	397.46	0.04	1,900.00	1,502.54
130 EMPLOYER PAID INSURANCE	2,216.34	0.85	6,452.80	0.71	26,500.00	20,047.20
150 WORKER'S COMPENSATION	0.00		981.00	0.11	990.00	9.00
160 LIABILITY INSURANCE	43.28	0.02	43.28		91.00	47.72

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 4 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
210 OPERATING SUPPLIES	186.39	0.07	790.56	0.09	4,000.00	3,209.44
216 PERIODICALS	0.00		0.00		220.00	220.00
220 REPAIR/MAINTENANCE SUPPLIES	4.49		4.49		1,000.00	995.51
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		3,500.00	3,500.00
321 TELEPHONE	654.69	0.25	1,928.34	0.21	7,500.00	5,571.66
325 COMMUNICATION-OTHER	127.00	0.05	407.00	0.04	2,400.00	1,993.00
331 TRAVEL/MILEAGE	0.00		0.00		800.00	800.00
332 ADMINISTRATOR MEETINGS &	0.00		0.00		2,500.00	2,500.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		4,000.00	4,000.00
334 MEMBERSHIP DUES AND FEES	0.00		2,828.00	0.31	6,000.00	3,172.00
343 OTHER ADVERTISING	15.40	0.01	46.20	0.01	1,000.00	953.80
360 INSURANCE	1,854.88	0.71	1,854.88	0.20	3,800.00	1,945.12
380 UTILITY SERVICES	0.00		0.00		1,000.00	1,000.00
400 REPAIRS & MAINTENANCE	0.00		0.00		500.00	500.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		27.38		900.00	872.62
440 PROFESSIONAL SERVICES	295.65	0.11	4,077.65	0.45	3,000.00	-1,077.65
Account Total						
	16,336.16	6.23	53,237.62	5.87	220,549.00	167,311.38
Total Department	16,336.16	6.23	53,237.62	5.87	220,549.00	167,311.38
Elections						
Elections						
101 FULL-TIME EMPLOYEES - REGULAR	263.52	0.10	787.93	0.09	3,500.00	2,712.07
121 EMPLOYER PERA CONTRIBUTIONS	19.78	0.01	59.10	0.01	263.00	203.90
122 EMPLOYER FICA CONTRIBUTIONS	14.17	0.01	42.34		217.00	174.66
123 EMPLOYER MEDICARE CONTRIBUTION	3.33		9.93		50.00	40.07
130 EMPLOYER PAID INSURANCE	88.80	0.03	266.55	0.03	1,100.00	833.45
Account Total						
	389.60	0.15	1,165.85	0.13	5,130.00	3,964.15
Total Department	389.60	0.15	1,165.85	0.13	5,130.00	3,964.15
Accounting						
Accounting						
301 AUDITING/ACCOUNTING	0.00		2,150.00	0.24	4,700.00	2,550.00
351 LEGAL NOTICES PUBLISHING	0.00		102.96	0.01	1,600.00	1,497.04
Account Total						
			2,252.96	0.25	6,300.00	4,047.04
Total Department			2,252.96	0.25	6,300.00	4,047.04
Assessing						
Assessing						
305 ASSESSING FEES	0.00		31,635.00	3.49	32,400.00	765.00
351 LEGAL NOTICES PUBLISHING	0.00		0.00		300.00	300.00
Account Total						
			31,635.00	3.49	32,700.00	1,065.00
Total Department			31,635.00	3.49	32,700.00	1,065.00
Law-Legal Services						
Law-Legal Services						
304 LEGAL FEES	3,493.00	1.33	7,033.50	0.77	30,000.00	22,966.50
Account Total						
	3,493.00	1.33	7,033.50	0.77	30,000.00	22,966.50
Total Department	3,493.00	1.33	7,033.50	0.77	30,000.00	22,966.50

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 5 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Planning and Zoning						
Planning & Zoning						
101 FULL-TIME EMPLOYEES - REGULAR	514.10	0.20	1,536.86	0.17	36,500.00	34,963.14
121 EMPLOYER PERA CONTRIBUTIONS	38.56	0.01	115.29	0.01	2,738.00	2,622.71
122 EMPLOYER FICA CONTRIBUTIONS	28.34	0.01	85.77	0.01	2,263.00	2,177.23
123 EMPLOYER MEDICARE CONTRIBUTION	6.62		20.05		529.00	508.95
130 EMPLOYER PAID INSURANCE	120.81	0.05	362.48	0.04	4,900.00	4,537.52
150 WORKER'S COMPENSATION	0.00		266.00	0.03	50.00	-216.00
210 OPERATING SUPPLIES	0.00		44.59		500.00	455.41
304 LEGAL FEES	913.50	0.35	957.00	0.11	12,000.00	11,043.00
321 TELEPHONE	22.57	0.01	67.71	0.01	250.00	182.29
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		2,000.00	2,000.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		1,500.00	1,500.00
351 LEGAL NOTICES PUBLISHING	120.12	0.05	291.72	0.03	1,000.00	708.28
360 INSURANCE	1,972.20	0.75	1,972.20	0.22	3,000.00	1,027.80
440 PROFESSIONAL SERVICES	-2,762.50	-1.05	-92.50	-0.01	2,000.00	2,092.50
Account Total						
	974.32	0.37	5,627.17	0.62	69,230.00	63,602.83
Total Department	974.32	0.37	5,627.17	0.62	69,230.00	63,602.83
Data Processing						
Data Processing						
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		1,000.00	1,000.00
309 EDP, SOFTWARE & DESIGN	2,244.25	0.86	2,897.05	0.32	4,500.00	1,602.95
370 MAINTENANCE/SUPPORT FEES	0.00		714.00	0.08	8,000.00	7,286.00
400 REPAIRS & MAINTENANCE	54.50	0.02	108.50	0.01	1,000.00	891.50
440 PROFESSIONAL SERVICES	0.00		0.00		1,000.00	1,000.00
Account Total						
	2,298.75	0.88	3,719.55	0.41	15,500.00	11,780.45
Total Department	2,298.75	0.88	3,719.55	0.41	15,500.00	11,780.45
General Govt Building						
General Govt Buildings						
103 PART-TIME EMPLOYEES	259.08	0.10	724.56	0.08	3,300.00	2,575.44
121 EMPLOYER PERA CONTRIBUTIONS	19.43	0.01	54.34	0.01	247.00	192.66
122 EMPLOYER FICA CONTRIBUTIONS	15.56	0.01	42.69		205.00	162.31
123 EMPLOYER MEDICARE CONTRIBUTION	3.63		9.98		48.00	38.02
150 WORKER'S COMPENSATION	0.00		227.00	0.03	220.00	-7.00
210 OPERATING SUPPLIES	234.60	0.09	234.60	0.03	300.00	65.40
220 REPAIR/MAINTENANCE SUPPLIES	0.00		102.36	0.01	250.00	147.64
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		500.00	500.00
360 INSURANCE	219.92	0.08	219.92	0.02	500.00	280.08
380 UTILITY SERVICES	708.72	0.27	1,201.71	0.13	6,800.00	5,598.29
400 REPAIRS & MAINTENANCE	0.00		0.00		2,000.00	2,000.00
410 RENTALS	79.19	0.03	94.69	0.01	700.00	605.31
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		300.00	300.00
Account Total						
	1,540.13	0.59	2,911.85	0.32	15,370.00	12,458.15
Total Department	1,540.13	0.59	2,911.85	0.32	15,370.00	12,458.15

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 6 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
General Engineering						
General Engineering						
303 ENGINEERING FEES	1,585.00	0.60	1,585.00	0.17	25,000.00	23,415.00
Account Total	1,585.00	0.60	1,585.00	0.17	25,000.00	23,415.00
Total Department	1,585.00	0.60	1,585.00	0.17	25,000.00	23,415.00
Police						
Government Buildings and Library						
103 PART-TIME EMPLOYEES	249.48	0.10	497.28	0.05	3,500.00	3,002.72
121 EMPLOYER PERA CONTRIBUTIONS	18.70	0.01	37.29		262.00	224.71
122 EMPLOYER FICA CONTRIBUTIONS	14.99	0.01	29.44		217.00	187.56
123 EMPLOYER MEDICARE CONTRIBUTION	3.51		6.89		51.00	44.11
Account Total	286.68	0.11	570.90	0.06	4,030.00	3,459.10
Police						
101 FULL-TIME EMPLOYEES - REGULAR	48,478.65	18.49	151,217.94	16.66	742,000.00	590,782.06
102 FULL-TIME EMPLOYEES - OVERTIME	298.37	0.11	3,523.93	0.39	14,500.00	10,976.07
103 PART-TIME EMPLOYEES	3,765.82	1.44	13,282.27	1.46	30,000.00	16,717.73
104 Canine	244.00	0.09	732.00	0.08	3,200.00	2,468.00
121 EMPLOYER PERA CONTRIBUTIONS	8,604.07	3.28	25,211.70	2.78	131,951.00	106,739.30
122 EMPLOYER FICA CONTRIBUTIONS	268.25	0.10	1,335.06	0.15	6,000.00	4,664.94
123 EMPLOYER MEDICARE CONTRIBUTION	735.95	0.28	2,351.36	0.26	11,000.00	8,648.64
130 EMPLOYER PAID INSURANCE	9,352.70	3.57	29,510.01	3.25	154,000.00	124,489.99
150 WORKER'S COMPENSATION	-5,139.00	-1.96	48,848.00	5.38	58,400.00	9,552.00
160 LIABILITY INSURANCE	151.50	0.06	151.50	0.02	2,900.00	2,748.50
210 OPERATING SUPPLIES	1,646.78	0.63	3,049.96	0.34	9,000.00	5,950.04
212 MOTOR FUELS	1,786.83	0.68	4,678.60	0.52	13,000.00	8,321.40
214 UNIFORMS	1,271.37	0.48	1,271.37	0.14	4,000.00	2,728.63
220 REPAIR/MAINTENANCE SUPPLIES	258.09	0.10	258.09	0.03	3,500.00	3,241.91
240 SMALL TOOLS/MINOR EQUIPMENT	672.48	0.26	694.25	0.08	10,000.00	9,305.75
309 EDP, SOFTWARE & DESIGN	0.00		0.00		350.00	350.00
321 TELEPHONE	1,014.09	0.39	2,225.62	0.25	18,577.00	16,351.38
325 COMMUNICATION-OTHER	15.00	0.01	30.00		900.00	870.00
333 STAFF MEETINGS & CONFERENCES	598.00	0.23	1,738.00	0.19	8,000.00	6,262.00
334 MEMBERSHIP DUES AND FEES	69.00	0.03	8,123.09	0.89	9,500.00	1,376.91
343 OTHER ADVERTISING	0.00		0.00		250.00	250.00
360 INSURANCE	16,177.76	6.17	19,010.76	2.09	34,000.00	14,989.24
370 MAINTENANCE/SUPPORT FEES	0.00		0.00		12,500.00	12,500.00
380 UTILITY SERVICES	603.69	0.23	1,159.70	0.13	7,200.00	6,040.30
400 REPAIRS & MAINTENANCE	60.00	0.02	1,885.94	0.21	7,500.00	5,614.06
410 RENTALS	0.00		0.00		20.00	20.00
430 OTHER SERVICE/CHARGES-MISC.	630.00	0.24	705.00	0.08	6,000.00	5,295.00
440 PROFESSIONAL SERVICES	136.20	0.05	2,369.92	0.26	2,500.00	130.08
444 OTHER CONTRACTUAL SERVICES	0.00		2,750.00	0.30	3,000.00	250.00
Account Total	91,699.60	34.97	326,114.07	35.93	1,303,748.00	977,633.93
Total Department	91,986.28	35.08	326,684.97	35.99	1,307,778.00	981,093.03



05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 7 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Fire</b>						
Fire						
101 FULL-TIME EMPLOYEES - REGULAR	1,243.15	0.47	3,680.62	0.41	56,000.00	52,319.38
121 EMPLOYER PERA CONTRIBUTIONS	93.24	0.04	276.05	0.03	525.00	248.95
122 EMPLOYER FICA CONTRIBUTIONS	69.34	0.03	205.26	0.02	1,100.00	894.74
123 EMPLOYER MEDICARE CONTRIBUTION	16.21	0.01	47.99	0.01	800.00	752.01
130 EMPLOYER PAID INSURANCE	511.33	0.19	1,513.23	0.17	3,300.00	1,786.77
150 WORKER'S COMPENSATION	0.00		13,916.00	1.53	15,000.00	1,084.00
160 LIABILITY INSURANCE	21.64	0.01	21.64		50.00	28.36
209 MEDICAL SUPPLIES	185.62	0.07	185.62	0.02	2,500.00	2,314.38
210 OPERATING SUPPLIES	2,961.99	1.13	3,087.87	0.34	5,700.00	2,612.13
212 MOTOR FUELS	300.19	0.11	422.12	0.05	2,500.00	2,077.88
214 UNIFORMS	0.00		0.00		4,000.00	4,000.00
216 PERIODICALS	0.00		0.00		100.00	100.00
220 REPAIR/MAINTENANCE SUPPLIES	145.36	0.06	1,843.82	0.20	4,000.00	2,156.18
240 SMALL TOOLS/MINOR EQUIPMENT	1,935.00	0.74	3,230.95	0.36	40,000.00	36,769.05
321 TELEPHONE	191.84	0.07	575.52	0.06	2,000.00	1,424.48
330 TRAINING	0.00		5,600.00	0.62	15,000.00	9,400.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		6,000.00	6,000.00
334 MEMBERSHIP DUES AND FEES	0.00		490.00	0.05	1,500.00	1,010.00
343 OTHER ADVERTISING	55.77	0.02	111.54	0.01	300.00	188.46
360 INSURANCE	2,412.56	0.92	2,412.56	0.27	4,300.00	1,887.44
370 MAINTENANCE/SUPPORT FEES	0.00		0.00		400.00	400.00
380 UTILITY SERVICES	1,000.85	0.38	1,729.17	0.19	10,000.00	8,270.83
400 REPAIRS & MAINTENANCE	1,306.50	0.50	2,185.50	0.24	10,000.00	7,814.50
430 OTHER SERVICE/CHARGES-MISC.	20.00	0.01	105.00	0.01	45,421.00	45,316.00
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		7,500.00	7,500.00
Account Total						
	12,470.59	4.76	41,640.46	4.59	237,996.00	196,355.54
Total Department	12,470.59	4.76	41,640.46	4.59	237,996.00	196,355.54
<b>Building Inspection</b>						
Building Inspection						
331 TRAVEL/MILEAGE	234.64	0.09	407.68	0.04	3,200.00	2,792.32
444 OTHER CONTRACTUAL SERVICES	3,770.79	1.44	6,434.60	0.71	45,000.00	38,565.40
Account Total						
	4,005.43	1.53	6,842.28	0.75	48,200.00	41,357.72
Total Department	4,005.43	1.53	6,842.28	0.75	48,200.00	41,357.72
<b>Animal Control</b>						
Animal Control						
210 OPERATING SUPPLIES	0.00		0.00		175.00	175.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		0.00		150.00	150.00
Account Total						
					325.00	325.00
Total Department					325.00	325.00
<b>Highways, Streets, Roadways</b>						
Highways, Streets, Roadways						
101 FULL-TIME EMPLOYEES - REGULAR	9,982.76	3.81	29,829.18	3.29	152,200.00	122,370.82
121 EMPLOYER PERA CONTRIBUTIONS	748.71	0.29	2,237.28	0.25	11,415.00	9,177.72
122 EMPLOYER FICA CONTRIBUTIONS	590.26	0.23	1,763.39	0.19	9,436.00	7,672.61
123 EMPLOYER MEDICARE CONTRIBUTION	138.07	0.05	412.43	0.05	2,207.00	1,794.57
130 EMPLOYER PAID INSURANCE	1,903.29	0.73	5,668.93	0.62	40,000.00	34,331.07
150 WORKER'S COMPENSATION	0.00		14,062.00	1.55	15,200.00	1,138.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 8 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
210 OPERATING SUPPLIES	1,411.23	0.54	2,580.60	0.28	11,000.00	8,419.40
212 MOTOR FUELS	205.82	0.08	466.80	0.05	4,000.00	3,533.20
214 UNIFORMS	0.00		0.00		1,000.00	1,000.00
220 REPAIR/MAINTENANCE SUPPLIES	1,038.15	0.40	1,835.39	0.20	19,000.00	17,164.61
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		78.95	0.01	2,000.00	1,921.05
321 TELEPHONE	140.90	0.05	331.27	0.04	1,600.00	1,268.73
325 COMMUNICATION-OTHER	15.00	0.01	30.00		0.00	-30.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		1,000.00	1,000.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		75.00	75.00
343 OTHER ADVERTISING	0.00		0.00		250.00	250.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		0.00		250.00	250.00
360 INSURANCE	2,782.58	1.06	2,782.58	0.31	6,250.00	3,467.42
380 UTILITY SERVICES	1,394.29	0.53	2,476.74	0.27	13,000.00	10,523.26
400 REPAIRS & MAINTENANCE	0.00		0.00		11,900.00	11,900.00
410 RENTALS	0.00		0.00		500.00	500.00
430 OTHER SERVICE/CHARGES-MISC.	40.00	0.02	60.00	0.01	2,500.00	2,440.00
440 PROFESSIONAL SERVICES	0.00		0.00		1,500.00	1,500.00
444 OTHER CONTRACTUAL SERVICES	30.14	0.01	50.23	0.01	2,000.00	1,949.77
Account Total						
	20,421.20	7.79	64,665.77	7.12	308,283.00	243,617.23
Total Department	20,421.20	7.79	64,665.77	7.12	308,283.00	243,617.23
Paved Streets						
Paved Streets						
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		10,000.00	10,000.00
303 ENGINEERING FEES	4,340.00	1.66	4,340.00	0.48	15,000.00	10,660.00
400 REPAIRS & MAINTENANCE	0.00		0.00		175,000.00	175,000.00
Account Total						
	4,340.00	1.66	4,340.00	0.48	200,000.00	195,660.00
Total Department	4,340.00	1.66	4,340.00	0.48	200,000.00	195,660.00
Ice & Snow Removal						
Ice & Snow Removal						
102 FULL-TIME EMPLOYEES - OVERTIME	628.31	0.24	3,438.21	0.38	16,000.00	12,561.79
121 EMPLOYER PERA CONTRIBUTIONS	47.15	0.02	257.89	0.03	1,200.00	942.11
122 EMPLOYER FICA CONTRIBUTIONS	37.30	0.01	205.66	0.02	992.00	786.34
123 EMPLOYER MEDICARE CONTRIBUTION	8.69		48.09	0.01	232.00	183.91
130 EMPLOYER PAID INSURANCE	107.41	0.04	546.76	0.06	5,000.00	4,453.24
150 WORKER'S COMPENSATION	0.00		1,478.00	0.16	1,600.00	122.00
210 OPERATING SUPPLIES	1,411.23	0.54	2,520.92	0.28	9,000.00	6,479.08
212 MOTOR FUELS	0.00		29.93		500.00	470.07
220 REPAIR/MAINTENANCE SUPPLIES	2,667.70	1.02	5,268.02	0.58	22,500.00	17,231.98
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		5.49		300.00	294.51
360 INSURANCE	161.44	0.06	161.44	0.02	320.00	158.56
400 REPAIRS & MAINTENANCE	0.00		0.00		8,000.00	8,000.00
410 RENTALS	0.00		0.00		50.00	50.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		500.00	500.00
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		3,000.00	3,000.00
Account Total						
	5,069.23	1.93	13,960.41	1.54	69,194.00	55,233.59
Total Department	5,069.23	1.93	13,960.41	1.54	69,194.00	55,233.59

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 9 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Street Lighting						
Street Lighting						
380 UTILITY SERVICES	7,256.12	2.77	11,101.66	1.22	65,000.00	53,898.34
Account Total						
	7,256.12	2.77	11,101.66	1.22	65,000.00	53,898.34
Total Department	7,256.12	2.77	11,101.66	1.22	65,000.00	53,898.34
Sidewalks						
Sidewalks						
400 REPAIRS & MAINTENANCE	0.00		0.00		50,000.00	50,000.00
Account Total					50,000.00	50,000.00
Total Department					50,000.00	50,000.00
Waste Collection and Disposal						
Waste Collection & Disposal						
430 OTHER SERVICE/CHARGES-MISC.	891.00	0.34	1,782.00	0.20	11,500.00	9,718.00
Account Total						
	891.00	0.34	1,782.00	0.20	11,500.00	9,718.00
Total Department	891.00	0.34	1,782.00	0.20	11,500.00	9,718.00
Emer Mgmt/Health						
Emer Mgmt/Health						
210 OPERATING SUPPLIES	0.00		0.00		1,500.00	1,500.00
360 INSURANCE	406.52	0.16	406.52	0.04	850.00	443.48
380 UTILITY SERVICES	144.35	0.06	212.33	0.02	2,000.00	1,787.67
400 REPAIRS & MAINTENANCE	0.00		0.00		2,000.00	2,000.00
430 OTHER SERVICE/CHARGES-MISC.	986.32	0.38	6,403.07	0.71	7,000.00	596.93
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		1,000.00	1,000.00
Account Total						
	1,537.19	0.59	7,021.92	0.77	14,350.00	7,328.08
Total Department	1,537.19	0.59	7,021.92	0.77	14,350.00	7,328.08
Parks and Recreation						
Parks & Recreation						
210 OPERATING SUPPLIES	0.00		12.03		500.00	487.97
321 TELEPHONE	211.18	0.08	516.73	0.06	4,500.00	3,983.27
325 COMMUNICATION-OTHER	15.00	0.01	30.00		100.00	70.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		50.00	50.00
334 MEMBERSHIP DUES AND FEES	0.00		365.00	0.04	500.00	135.00
410 RENTALS	0.00		0.00		30.00	30.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		3,500.00	3,500.00
Account Total						
	226.18	0.09	923.76	0.10	9,180.00	8,256.24
Total Department	226.18	0.09	923.76	0.10	9,180.00	8,256.24
Playgrounds						
Playgrounds						
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		3,000.00	3,000.00
Account Total					3,000.00	3,000.00
Total Department					3,000.00	3,000.00
Swimming Pool						
Swimming Pool						
102 FULL-TIME EMPLOYEES - OVERTIME	0.00		0.00		6,000.00	6,000.00
103 PART-TIME EMPLOYEES	0.00		0.00		155,000.00	155,000.00
121 EMPLOYER PERA CONTRIBUTIONS	0.00		0.00		300.00	300.00
122 EMPLOYER FICA CONTRIBUTIONS	0.00		0.00		9,982.00	9,982.00
123 EMPLOYER MEDICARE CONTRIBUTION	0.00		0.00		2,335.00	2,335.00
130 EMPLOYER PAID INSURANCE	0.00		0.00		1,000.00	1,000.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 10 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
150 WORKER'S COMPENSATION	0.00		11,089.00	1.22	12,300.00	1,211.00
210 OPERATING SUPPLIES	957.74	0.37	1,260.98	0.14	22,000.00	20,739.02
220 REPAIR/MAINTENANCE SUPPLIES	2,556.16	0.97	2,556.16	0.28	14,000.00	11,443.84
221 LG REPAIR/MAINT SUPPLIES	0.00		0.00		20,000.00	20,000.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		500.00	500.00
262 COST OF CONCESSIONS	0.00		0.00		25,000.00	25,000.00
321 TELEPHONE	69.46	0.03	208.38	0.02	1,100.00	891.62
333 STAFF MEETINGS & CONFERENCES	550.00	0.21	550.00	0.06	0.00	-550.00
343 OTHER ADVERTISING	0.00		0.00		150.00	150.00
344 PROMOTION	0.00		0.00		1,500.00	1,500.00
360 INSURANCE	1,514.62	0.58	1,514.62	0.17	3,050.00	1,535.38
370 MAINTENANCE/SUPPORT FEES	0.00		0.00		2,500.00	2,500.00
380 UTILITY SERVICES	364.61	0.14	596.34	0.07	57,000.00	56,403.66
400 REPAIRS & MAINTENANCE	0.00		627.54	0.07	4,000.00	3,372.46
410 RENTALS	0.00		0.00		750.00	750.00
430 OTHER SERVICE/CHARGES-MISC.	13.00		413.00	0.05	2,000.00	1,587.00
Account Total						
	6,025.59	2.30	18,816.02	2.07	340,467.00	321,650.98
Total Department	6,025.59	2.30	18,816.02	2.07	340,467.00	321,650.98
Other Recreational Facilities						
Other Recreational Facilities						
103 PART-TIME EMPLOYEES	0.00		0.00		3,000.00	3,000.00
122 EMPLOYER FICA CONTRIBUTIONS	0.00		0.00		186.00	186.00
123 EMPLOYER MEDICARE CONTRIBUTION	0.00		0.00		44.00	44.00
210 OPERATING SUPPLIES	46.95	0.02	91.54	0.01	6,500.00	6,408.46
214 UNIFORMS	0.00		0.00		500.00	500.00
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		5,500.00	5,500.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		3,000.00	3,000.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		350.00	350.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		450.00	450.00
343 OTHER ADVERTISING	0.00		0.00		250.00	250.00
360 INSURANCE	251.18	0.10	251.18	0.03	500.00	248.82
380 UTILITY SERVICES	205.81	0.08	308.97	0.03	10,500.00	10,191.03
400 REPAIRS & MAINTENANCE	0.00		0.00		8,500.00	8,500.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		1,000.00	1,000.00
444 OTHER CONTRACTUAL SERVICES	0.00		15,000.00	1.65	21,600.00	6,600.00
Account Total						
	503.94	0.19	15,651.69	1.72	61,880.00	46,228.31
Total Department	503.94	0.19	15,651.69	1.72	61,880.00	46,228.31
Park Areas						
Park Areas						
101 FULL-TIME EMPLOYEES - REGULAR	10,039.09	3.83	29,997.18	3.30	225,000.00	195,002.82
102 FULL-TIME EMPLOYEES - OVERTIME	0.00		0.00		2,000.00	2,000.00
103 PART-TIME EMPLOYEES	0.00		0.00		27,000.00	27,000.00
121 EMPLOYER PERA CONTRIBUTIONS	752.93	0.29	2,249.77	0.25	17,025.00	14,775.23
122 EMPLOYER FICA CONTRIBUTIONS	588.22	0.22	1,757.51	0.19	15,748.00	13,990.49
123 EMPLOYER MEDICARE CONTRIBUTION	137.56	0.05	411.04	0.05	3,683.00	3,271.96
130 EMPLOYER PAID INSURANCE	2,217.16	0.85	6,623.58	0.73	41,700.00	35,076.42
150 WORKER'S COMPENSATION	0.00		14,393.00	1.59	15,600.00	1,207.00
210 OPERATING SUPPLIES	0.00		42.99		3,000.00	2,957.01
212 MOTOR FUELS	156.43	0.06	331.13	0.04	6,000.00	5,668.87

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 11 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
214 UNIFORMS	0.00		0.00		1,500.00	1,500.00
220 REPAIR/MAINTENANCE SUPPLIES	460.54	0.18	1,145.07	0.13	12,000.00	10,854.93
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		3,000.00	3,000.00
262 COST OF CONCESSIONS	0.00		0.00		2,000.00	2,000.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		400.00	400.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		150.00	150.00
360 INSURANCE	7,303.92	2.79	7,303.92	0.80	14,600.00	7,296.08
380 UTILITY SERVICES	545.76	0.21	898.58	0.10	6,000.00	5,101.42
400 REPAIRS & MAINTENANCE	535.00	0.20	535.00	0.06	1,000.00	465.00
410 RENTALS	0.00		0.00		6,500.00	6,500.00
430 OTHER SERVICE/CHARGES-MISC.	22.32	0.01	42.32		1,500.00	1,457.68
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		6,500.00	6,500.00
Account Total	22,758.93	8.68	65,731.09	7.24	411,906.00	346,174.91
Total Department	22,758.93	8.68	65,731.09	7.24	411,906.00	346,174.91
Forestry and Nursery						
Forestry & Nursery						
210 OPERATING SUPPLIES	173.94	0.07	173.94	0.02	600.00	426.06
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		750.00	750.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		300.00	300.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		25.00	25.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		0.00		100.00	100.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		25.00		6,700.00	6,675.00
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		7,000.00	7,000.00
Account Total	173.94	0.07	198.94	0.02	15,475.00	15,276.06
Total Department	173.94	0.07	198.94	0.02	15,475.00	15,276.06
Historic Watertower						
Historic Watertower						
430 OTHER SERVICE/CHARGES-MISC.	132.42	0.05	160.12	0.02	2,000.00	1,839.88
Account Total	132.42	0.05	160.12	0.02	2,000.00	1,839.88
Total Department	132.42	0.05	160.12	0.02	2,000.00	1,839.88
Dodge County Arena						
Dodge County Arena						
430 OTHER SERVICE/CHARGES-MISC.	306.28	0.12	306.28	0.03	25,554.00	25,247.72
440 PROFESSIONAL SERVICES	0.00		300.00	0.03	300.00	0.00
Account Total	306.28	0.12	606.28	0.07	25,854.00	25,247.72
Total Department	306.28	0.12	606.28	0.07	25,854.00	25,247.72
Capital						
Council						
580 OTHER EQUIPMENT	0.00		0.00		22,500.00	22,500.00
Account Total					22,500.00	22,500.00
General Govt Buildings						
580 OTHER EQUIPMENT	0.00		0.00		10,000.00	10,000.00
Account Total					10,000.00	10,000.00
Police						
550 MOTOR VEHICLES	12,944.38	4.94	22,076.17	2.43	56,764.00	34,687.83
580 OTHER EQUIPMENT	0.00		0.00		14,000.00	14,000.00
611 BOND INTEREST	220.82	0.08	853.77	0.09	4,217.00	3,363.23
Account Total	13,165.20	5.02	22,929.94	2.53	74,981.00	52,051.06

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 12 of 31  
Report ID: L140

101 General Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Fire						
550 MOTOR VEHICLES	791.18	0.30	42,404.55	4.67	69,666.00	27,261.45
611 BOND INTEREST	7.09		21.39		1,800.00	1,778.61
Account Total	798.27	0.30	42,425.94	4.67	71,466.00	29,040.06
Highways, Streets, Roadways						
530 IMPR OTHER THAN BUILDINGS	0.00		0.00		50,000.00	50,000.00
540 HEAVY MACHINERY	0.00		0.00		74,136.00	74,136.00
550 MOTOR VEHICLES	727.00	0.28	2,180.02	0.24	8,669.00	6,488.98
611 BOND INTEREST	40.06	0.02	121.16	0.01	1,073.00	951.84
Account Total	767.06	0.29	2,301.18	0.25	133,878.00	131,576.82
Other Recreational Facilities						
530 IMPR OTHER THAN BUILDINGS	0.00		0.00		35,310.00	35,310.00
Account Total					35,310.00	35,310.00
Park Areas						
530 IMPR OTHER THAN BUILDINGS	0.00		0.00		45,400.00	45,400.00
550 MOTOR VEHICLES	1,126.58	0.43	4,028.19	0.44	10,207.00	6,178.81
611 BOND INTEREST	57.24	0.02	173.06	0.02	1,416.00	1,242.94
Account Total	1,183.82	0.45	4,201.25	0.46	57,023.00	52,821.75
Total Department	15,914.35	6.07	71,858.31	7.92	405,158.00	333,299.69
Unallocated Expenses						
Unallocated Expenditures						
360 INSURANCE	18,298.76	6.98	18,298.76	2.02	22,500.00	4,201.24
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		72,980.00	72,980.00
433 MMUA SAFETY PROGRAM	59.12	0.02	3,714.70	0.41	7,500.00	3,785.30
Account Total	18,357.88	7.00	22,013.46	2.43	102,980.00	80,966.54
Total Department	18,357.88	7.00	22,013.46	2.43	102,980.00	80,966.54
Other Financing Uses						
Other Financing Uses						
720 OPERATING TRANSFERS	22.00	0.01	77,555.09	8.54	89,000.00	11,444.91
Account Total	22.00	0.01	77,555.09	8.54	89,000.00	11,444.91
Total Department	22.00	0.01	77,555.09	8.54	89,000.00	11,444.91
Total Expenses	262,222.25	100.00	907,644.31	100.00	4,284,512.00	3,376,867.69
Net Income (Loss)	-173,067.28	-66.00	-691,067.16	-76.14		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 13 of 31  
Report ID: L140

211 Library Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
Revenue						
Library						
3101 CURRENT AD VALOREM TAXES	0.00		0.00		359,959.00	-359,959.00
3362 COUNTY CONTR - SELCO	0.00		14,774.80	15.74	59,099.00	-44,324.20
3363 GRANT	0.00		0.00		980.00	-980.00
3410 CHARGES FOR SERVICES	24.67	0.08	100.34	0.11	400.00	-299.66
3412 CHARGES FOR SERVICES-PRIN	61.93	0.19	139.46	0.15	400.00	-260.54
3513 LIBRARY FINES	1.70	0.01	115.15	0.12	4,000.00	-3,884.85
3621 INTEREST EARNED	291.57	0.90	530.77	0.57	150.00	380.77
3623 CONTR/DONATION FROM PRIVA	2,997.74	9.22	2,997.74	3.19	1,050.00	1,947.74
3624 MISC REVENUE - REFUNDS	121.84	0.37	200.82	0.21	400.00	-199.18
Total Department	3,499.45	10.76	18,859.08	20.09	426,438.00	-407,578.92
Total Revenue	3,499.45	100.00	18,859.08	100.00	426,438.00	-407,578.92
Expenses						
Government Buildings and Library						
Government Buildings and Library						
103 PART-TIME EMPLOYEES	652.45	2.01	1,506.37	1.60	10,100.00	8,593.63
121 EMPLOYER PERA CONTRIBUTIONS	48.93	0.15	112.96	0.12	758.00	645.04
122 EMPLOYER FICA CONTRIBUTIONS	39.20	0.12	89.42	0.10	626.00	536.58
123 EMPLOYER MEDICARE CONTRIBUTION	9.18	0.03	20.92	0.02	146.00	125.08
Account Total						
	749.76	2.31	1,729.67	1.84	11,630.00	9,900.33
Total Department	749.76	2.31	1,729.67	1.84	11,630.00	9,900.33
Library						
Library						
101 FULL-TIME EMPLOYEES - REGULAR	17,176.01	52.83	51,179.03	54.51	225,100.00	173,920.97
121 EMPLOYER PERA CONTRIBUTIONS	1,288.20	3.96	3,838.41	4.09	16,883.00	13,044.59
122 EMPLOYER FICA CONTRIBUTIONS	991.18	3.05	2,951.90	3.14	13,956.00	11,004.10
123 EMPLOYER MEDICARE CONTRIBUTION	231.82	0.71	690.40	0.74	3,264.00	2,573.60
130 EMPLOYER PAID INSURANCE	5,162.60	15.88	15,487.83	16.50	41,500.00	26,012.17
150 WORKER'S COMPENSATION	0.00		2,334.00	2.49	2,500.00	166.00
160 LIABILITY INSURANCE	21.64	0.07	21.64	0.02	45.00	23.36
210 OPERATING SUPPLIES	193.21	0.59	205.24	0.22	4,500.00	4,294.76
216 PERIODICALS	46.00	0.14	46.00	0.05	450.00	404.00
218 BOOKS	817.13	2.51	1,868.99	1.99	11,000.00	9,131.01
219 AUDIO VISUAL	343.40	1.06	693.54	0.74	6,000.00	5,306.46
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		1,000.00	1,000.00
222 ELECTRONIC SERVICES	0.00		0.00		3,000.00	3,000.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		19.99	0.02	100.00	80.01
303 ENGINEERING FEES	0.00		0.00		1,000.00	1,000.00
304 LEGAL FEES	0.00		0.00		1,000.00	1,000.00
309 EDP, SOFTWARE & DESIGN	1,496.80	4.60	6,606.75	7.04	18,000.00	11,393.25
321 TELEPHONE	144.57	0.44	498.34	0.53	2,000.00	1,501.66
325 COMMUNICATION-OTHER	0.00		10.00	0.01	500.00	490.00
331 TRAVEL/MILEAGE	0.00		0.00		400.00	400.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		500.00	500.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 14 of 31  
Report ID: L140

211 Library Fund

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
334 MEMBERSHIP DUES AND FEES	0.00		50.00	0.05	500.00	450.00
343 OTHER ADVERTISING	0.00		0.00		150.00	150.00
360 INSURANCE	1,724.68	5.30	1,724.68	1.84	3,500.00	1,775.32
370 MAINTENANCE/SUPPORT FEES	129.62	0.40	129.62	0.14	2,000.00	1,870.38
380 UTILITY SERVICES	987.18	3.04	1,640.69	1.75	13,000.00	11,359.31
400 REPAIRS & MAINTENANCE	891.83	2.74	891.83	0.95	9,000.00	8,108.17
430 OTHER SERVICE/CHARGES-MISC.	119.00	0.37	261.80	0.28	2,000.00	1,738.20
433 MMUA SAFETY PROGRAM	0.00		607.50	0.65	1,210.00	602.50
440 PROFESSIONAL SERVICES	0.00		300.00	0.32	500.00	200.00
441 LIBRARY PROGRAMS	0.00		0.00		4,000.00	4,000.00
444 OTHER CONTRACTUAL SERVICES	0.00		94.50	0.10	250.00	155.50
530 IMPR OTHER THAN BUILDINGS	0.00		0.00		24,000.00	24,000.00
570 OFFICE EQUIP AND FURNISHINGS	0.00		0.00		2,000.00	2,000.00
Account Total	31,764.87	97.69	92,152.68	98.16	414,808.00	322,655.32
Total Department	31,764.87	97.69	92,152.68	98.16	414,808.00	322,655.32
Total Expenses	32,514.63	100.00	93,882.35	100.00	426,438.00	332,555.65
Net Income (Loss)	-29,015.18	-89.24	-75,023.27	-79.91		



05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 15 of 31  
Report ID: L140

290 Economic Development

	Actual			Actual			
	Period to Date	%		Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>							
Community/Economic Development							
3101 CURRENT AD VALOREM TAXES	0.00			0.00		88,223.00	-88,223.00
3621 INTEREST EARNED	0.00			33.00	0.19	500.00	-467.00
Total Department				33.00	0.19	88,723.00	-88,690.00
Total Revenue	0.00	100.00		33.00	100.00	88,723.00	-88,690.00
<b>Expenses</b>							
Community/Economic Development							
Community/Economic Development							
101 FULL-TIME EMPLOYEES - REGULAR	971.84	63.25		2,891.49	17.08	11,700.00	8,808.51
121 EMPLOYER PERA CONTRIBUTIONS	72.89	4.74		216.87	1.28	878.00	661.13
122 EMPLOYER FICA CONTRIBUTIONS	58.18	3.79		173.04	1.02	725.00	551.96
123 EMPLOYER MEDICARE CONTRIBUTION	13.62	0.89		40.48	0.24	170.00	129.52
130 EMPLOYER PAID INSURANCE	178.55	11.62		535.66	3.16	5,500.00	4,964.34
150 WORKER'S COMPENSATION	0.00			73.00	0.43	100.00	27.00
210 OPERATING SUPPLIES	0.00			56.62	0.33	500.00	443.38
303 ENGINEERING FEES	0.00			0.00		1,500.00	1,500.00
304 LEGAL FEES	0.00			0.00		2,500.00	2,500.00
321 TELEPHONE	22.58	1.47		67.74	0.40	500.00	432.26
325 COMMUNICATION-OTHER	15.00	0.98		170.00	1.00	200.00	30.00
333 STAFF MEETINGS & CONFERENCES	0.00			0.00		400.00	400.00
334 MEMBERSHIP DUES AND FEES	0.00			75.00	0.44	500.00	425.00
343 OTHER ADVERTISING	0.00			0.00		5,000.00	5,000.00
351 LEGAL NOTICES PUBLISHING	0.00			0.00		100.00	100.00
360 INSURANCE	203.80	13.26		203.80	1.20	400.00	196.20
414 COMMERCIAL PROGRAMS	0.00			375.00	2.21	10,000.00	9,625.00
430 OTHER SERVICE/CHARGES-MISC.	0.00			520.00	3.07	3,500.00	2,980.00
440 PROFESSIONAL SERVICES	0.00			300.00	1.77	800.00	500.00
444 OTHER CONTRACTUAL SERVICES	0.00			11,234.00	66.35	43,750.00	32,516.00
Account Total	1,536.46	100.00		16,932.70	100.00	88,723.00	71,790.30
Total Department	1,536.46	100.00		16,932.70	100.00	88,723.00	71,790.30
Total Expenses	1,536.46	100.00		16,932.70	100.00	88,723.00	71,790.30
Net Income (Loss)	-1,536.46	-100.00		-16,899.70	-99.81		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 16 of 31  
Report ID: L140

601 Water Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>						
<b>Distribution</b>						
3621 INTEREST EARNED	2,601.70	4.81	3,934.45	1.04	5,000.00	-1,065.55
3622 RENTS AND ROYALTIES	2,199.85	4.07	4,367.19	1.16	12,625.00	-8,257.81
3624 MISC REVENUE - REFUNDS	0.00		0.00		500.00	-500.00
3710 WATER SALES - CUSTOMERS	70,253.11	130.01	213,879.06	56.73	908,000.00	-694,120.94
3715 CONNECTION/RECONNECTION F	0.00		0.00		100.00	-100.00
3716 WATER ACCESS CHARGE-BP	10,800.00	19.99	38,360.00	10.18	0.00	38,360.00
3718 METER SALES	3,725.00	6.89	6,925.00	1.84	6,000.00	925.00
3746 PENALTIES	704.59	1.30	1,860.64	0.49	7,000.00	-5,139.36
Total Department	90,284.25	167.08	269,326.34	71.44	939,225.00	-669,898.66
Total Revenue	90,284.25	100.00	269,326.34	100.00	939,225.00	-669,898.66
<b>Expenses</b>						
<b>Debt Service</b>						
<b>Debt Service</b>						
601 BOND PRINCIPAL	0.00		246,901.82	65.49	266,215.00	19,313.18
611 BOND INTEREST	39.39	0.07	18,045.51	4.79	35,719.00	17,673.49
Account Total	39.39	0.07	264,947.33	70.28	301,934.00	36,986.67
Total Department	39.39	0.07	264,947.33	70.28	301,934.00	36,986.67
<b>Power and Pumping</b>						
<b>Power &amp; Pumping</b>						
380 UTILITY SERVICES	5,947.88	11.01	8,295.87	2.20	50,000.00	41,704.13
Account Total	5,947.88	11.01	8,295.87	2.20	50,000.00	41,704.13
Total Department	5,947.88	11.01	8,295.87	2.20	50,000.00	41,704.13
<b>Distribution</b>						
<b>Distribution</b>						
101 FULL-TIME EMPLOYEES - REGULAR	5,922.98	10.96	19,133.05	5.08	92,000.00	72,866.95
102 FULL-TIME EMPLOYEES - OVERTIME	445.77	0.82	1,835.22	0.49	5,000.00	3,164.78
121 EMPLOYER PERA CONTRIBUTIONS	477.67	0.88	1,504.85	0.40	7,275.00	5,770.15
122 EMPLOYER FICA CONTRIBUTIONS	374.06	0.69	1,237.82	0.33	6,014.00	4,776.18
123 EMPLOYER MEDICARE CONTRIBUTION	87.50	0.16	289.52	0.08	1,407.00	1,117.48
130 EMPLOYER PAID INSURANCE	1,447.80	2.68	4,319.27	1.15	23,000.00	18,680.73
150 WORKER'S COMPENSATION	0.00		4,342.00	1.15	4,700.00	358.00
160 LIABILITY INSURANCE	21.64	0.04	21.64	0.01	45.00	23.36
210 OPERATING SUPPLIES	2,554.42	4.73	6,603.10	1.75	45,000.00	38,396.90
212 MOTOR FUELS	198.62	0.37	558.14	0.15	1,200.00	641.86
214 UNIFORMS	59.99	0.11	59.99	0.02	420.00	360.01
220 REPAIR/MAINTENANCE SUPPLIES	1,209.97	2.24	1,497.03	0.40	50,000.00	48,502.97
240 SMALL TOOLS/MINOR EQUIPMENT	7.49	0.01	47.43	0.01	5,000.00	4,952.57
260 METERS	1,899.14	3.51	1,899.14	0.50	30,000.00	28,100.86
360 INSURANCE	3,164.82	5.86	3,164.82	0.84	6,000.00	2,835.18
400 REPAIRS & MAINTENANCE	22,039.39	40.79	27,714.29	7.35	67,000.00	39,285.71
430 OTHER SERVICE/CHARGES-MISC.	0.00		1,216.18	0.32	13,600.00	12,383.82
433 MMUA SAFETY PROGRAM	17.12	0.03	2,457.71	0.65	4,850.00	2,392.29
440 PROFESSIONAL SERVICES	105.00	0.19	210.00	0.06	2,500.00	2,290.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 17 of 31  
Report ID: L140

601 Water Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
444 OTHER CONTRACTUAL SERVICES	30.14	0.06	50.23	0.01	0.00	-50.23
Account Total	40,063.52	74.14	78,161.43	20.73	365,011.00	286,849.57
Total Department	40,063.52	74.14	78,161.43	20.73	365,011.00	286,849.57
Administration						
Administration						
101 FULL-TIME EMPLOYEES - REGULAR	5,013.18	9.28	15,222.60	4.04	78,500.00	63,277.40
121 EMPLOYER PERA CONTRIBUTIONS	376.02	0.70	1,141.76	0.30	5,888.00	4,746.24
122 EMPLOYER FICA CONTRIBUTIONS	287.39	0.53	874.61	0.23	4,867.00	3,992.39
123 EMPLOYER MEDICARE CONTRIBUTION	67.21	0.12	204.61	0.05	1,137.00	932.39
130 EMPLOYER PAID INSURANCE	1,162.94	2.15	3,488.57	0.93	15,400.00	11,911.43
210 OPERATING SUPPLIES	37.99	0.07	130.98	0.03	800.00	669.02
216 PERIODICALS	0.00		0.00		100.00	100.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		500.00	500.00
301 AUDITING/ACCOUNTING	0.00		0.00		4,200.00	4,200.00
303 ENGINEERING FEES	0.00		0.00		5,000.00	5,000.00
304 LEGAL FEES	0.00		0.00		750.00	750.00
309 EDP, SOFTWARE & DESIGN	0.00		0.00		500.00	500.00
321 TELEPHONE	203.29	0.38	524.64	0.14	2,400.00	1,875.36
325 COMMUNICATION-OTHER	408.29	0.76	958.78	0.25	5,000.00	4,041.22
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		1,500.00	1,500.00
334 MEMBERSHIP DUES AND FEES	0.00		275.00	0.07	500.00	225.00
343 OTHER ADVERTISING	0.00		0.00		100.00	100.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		87.75	0.02	1,200.00	1,112.25
370 MAINTENANCE/SUPPORT FEES	0.00		703.95	0.19	2,725.00	2,021.05
430 OTHER SERVICE/CHARGES-MISC.	10.00	0.02	35.00	0.01	200.00	165.00
438 CREDIT CARD FEES	419.98	0.78	1,333.38	0.35	4,700.00	3,366.62
440 PROFESSIONAL SERVICES	0.00		600.00	0.16	1,800.00	1,200.00
Account Total	7,986.29	14.78	25,581.63	6.79	137,767.00	112,185.37
Total Department	7,986.29	14.78	25,581.63	6.79	137,767.00	112,185.37
Total Expenses	54,037.08	100.00	376,986.26	100.00	854,712.00	477,725.74
Net Income (Loss)	36,247.17	67.08	-107,659.92	-28.56		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 18 of 31  
Report ID: L140

602 Sewer Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>						
<b>Sewage Distribution</b>						
3621 INTEREST EARNED	347.33	0.45	896.29	0.27	6,000.00	-5,103.71
3624 MISC REVENUE - REFUNDS	0.00		183.00	0.06	0.00	183.00
3718 METER SALES	0.00		0.00		8,000.00	-8,000.00
3720 SEWER SERVICE	162,270.32	208.51	494,273.41	148.65	1,873,000.00	-1,378,726.59
3725 SEWER CONNECTION FEES	15,450.00	19.85	51,410.00	15.46	20,000.00	31,410.00
3746 PENALTIES	1,667.71	2.14	4,397.19	1.32	18,000.00	-13,602.81
3922 OTHER MISC-GOVT	23,062.00	29.63	23,062.00	6.94	114,000.00	-90,938.00
Total Department	202,797.36	260.59	574,221.89	172.69	2,039,000.00	-1,464,778.11
Total Revenue	202,797.36	100.00	574,221.89	100.00	2,039,000.00	-1,464,778.11
<b>Expenses</b>						
<b>Debt Service</b>						
<b>Debt Service</b>						
601 BOND PRINCIPAL	0.00		106,812.87	32.12	825,028.00	718,215.13
611 BOND INTEREST	39.39	0.05	39,040.89	11.74	77,539.00	38,498.11
Account Total	39.39	0.05	145,853.76	43.86	902,567.00	756,713.24
Total Department	39.39	0.05	145,853.76	43.86	902,567.00	756,713.24
<b>Sewer Plant</b>						
<b>Sewer Plant</b>						
101 FULL-TIME EMPLOYEES - REGULAR	11,283.61	14.50	37,556.95	11.29	186,500.00	148,943.05
102 FULL-TIME EMPLOYEES - OVERTIME	1,159.02	1.49	4,707.34	1.42	10,000.00	5,292.66
103 PART-TIME EMPLOYEES	0.00		0.00		11,440.00	11,440.00
121 EMPLOYER PERA CONTRIBUTIONS	933.17	1.20	2,993.31	0.90	14,738.00	11,744.69
122 EMPLOYER FICA CONTRIBUTIONS	732.29	0.94	2,504.05	0.75	12,892.00	10,387.95
123 EMPLOYER MEDICARE CONTRIBUTION	171.23	0.22	585.57	0.18	3,015.00	2,429.43
130 EMPLOYER PAID INSURANCE	2,834.93	3.64	8,425.02	2.53	48,500.00	40,074.98
150 WORKER'S COMPENSATION	0.00		9,689.00	2.91	10,500.00	811.00
210 OPERATING SUPPLIES	191.37	0.25	468.87	0.14	25,000.00	24,531.13
211 CHEMICALS	5,728.02	7.36	5,728.02	1.72	60,000.00	54,271.98
212 MOTOR FUELS	0.00		0.00		2,000.00	2,000.00
214 UNIFORMS	0.00		0.00		910.00	910.00
216 PERIODICALS	0.00		0.00		30.00	30.00
220 REPAIR/MAINTENANCE SUPPLIES	78.48	0.10	134.44	0.04	16,000.00	15,865.56
221 LG REPAIR/MAINT SUPPLIES	0.00		0.00		50,000.00	50,000.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		73.96	0.02	5,000.00	4,926.04
301 AUDITING/ACCOUNTING	0.00		0.00		3,700.00	3,700.00
303 ENGINEERING FEES	4,924.50	6.33	4,924.50	1.48	10,000.00	5,075.50
309 EDP, SOFTWARE & DESIGN	0.00		0.00		400.00	400.00
321 TELEPHONE	179.66	0.23	494.96	0.15	2,000.00	1,505.04
333 STAFF MEETINGS & CONFERENCES	0.00		310.00	0.09	3,000.00	2,690.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		130.00	130.00
360 INSURANCE	4,599.28	5.91	4,599.28	1.38	9,350.00	4,750.72
370 MAINTENANCE/SUPPORT FEES	0.00		464.10	0.14	1,500.00	1,035.90
380 UTILITY SERVICES	3,085.24	3.96	5,161.54	1.55	65,000.00	59,838.46

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 19 of 31  
Report ID: L140

602 Sewer Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
381 PURCHASED POWER	6,012.73	7.73	8,936.17	2.69	122,000.00	113,063.83
400 REPAIRS & MAINTENANCE	0.00		0.00		62,000.00	62,000.00
430 OTHER SERVICE/CHARGES-MISC.	152.86	0.20	305.72	0.09	3,200.00	2,894.28
433 MMUA SAFETY PROGRAM	0.00		2,126.25	0.64	4,220.00	2,093.75
440 PROFESSIONAL SERVICES	1,928.25	2.48	5,024.29	1.51	50,000.00	44,975.71
Account Total	43,994.64	56.53	105,213.34	31.64	793,025.00	687,811.66
Total Department	43,994.64	56.53	105,213.34	31.64	793,025.00	687,811.66
Sewage Distribution						
Sewer Distribution						
101 FULL-TIME EMPLOYEES - REGULAR	3,312.81	4.26	10,446.37	3.14	49,000.00	38,553.63
102 FULL-TIME EMPLOYEES - OVERTIME	178.31	0.23	743.30	0.22	5,000.00	4,256.70
121 EMPLOYER PERA CONTRIBUTIONS	261.84	0.34	812.00	0.24	4,050.00	3,238.00
122 EMPLOYER FICA CONTRIBUTIONS	204.65	0.26	658.58	0.20	3,348.00	2,689.42
123 EMPLOYER MEDICARE CONTRIBUTION	47.89	0.06	154.05	0.05	783.00	628.95
130 EMPLOYER PAID INSURANCE	792.32	1.02	2,369.41	0.71	12,000.00	9,630.59
150 WORKER'S COMPENSATION	0.00		2,978.00	0.90	3,300.00	322.00
160 LIABILITY INSURANCE	21.64	0.03	21.64	0.01	45.00	23.36
210 OPERATING SUPPLIES	217.51	0.28	571.73	0.17	11,000.00	10,428.27
212 MOTOR FUELS	198.61	0.26	558.15	0.17	6,400.00	5,841.85
214 UNIFORMS	59.99	0.08	59.99	0.02	210.00	150.01
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		2,000.00	2,000.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		1,500.00	1,500.00
260 METERS	1,899.14	2.44	1,899.14	0.57	30,000.00	28,100.86
303 ENGINEERING FEES	2,845.52	3.66	7,418.16	2.23	550,000.00	542,581.84
360 INSURANCE	7,584.76	9.75	7,584.76	2.28	15,300.00	7,715.24
380 UTILITY SERVICES	381.72	0.49	672.56	0.20	3,500.00	2,827.44
400 REPAIRS & MAINTENANCE	8,782.00	11.28	14,371.50	4.32	42,000.00	27,628.50
410 RENTALS	0.00		0.00		100.00	100.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		3,000.00	3,000.00
433 MMUA SAFETY PROGRAM	17.13	0.02	331.47	0.10	610.00	278.53
440 PROFESSIONAL SERVICES	0.00		8,666.96	2.61	2,000.00	-6,666.96
444 OTHER CONTRACTUAL SERVICES	30.14	0.04	50.24	0.02	25,000.00	24,949.76
Account Total	26,835.98	34.48	60,368.01	18.15	770,146.00	709,777.99
Total Department	26,835.98	34.48	60,368.01	18.15	770,146.00	709,777.99
San Sewer-Admin/General						
San Sewer-Admin/General						
101 FULL-TIME EMPLOYEES - REGULAR	4,331.95	5.57	13,079.46	3.93	62,500.00	49,420.54
102 FULL-TIME EMPLOYEES - OVERTIME	0.00		0.00		1,000.00	1,000.00
121 EMPLOYER PERA CONTRIBUTIONS	324.90	0.42	980.97	0.30	4,763.00	3,782.03
122 EMPLOYER FICA CONTRIBUTIONS	249.86	0.32	755.84	0.23	3,937.00	3,181.16
123 EMPLOYER MEDICARE CONTRIBUTION	58.46	0.08	176.81	0.05	921.00	744.19
130 EMPLOYER PAID INSURANCE	941.04	1.21	2,822.98	0.85	11,900.00	9,077.02
210 OPERATING SUPPLIES	37.99	0.05	144.94	0.04	1,500.00	1,355.06
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		590.00	590.00
301 AUDITING/ACCOUNTING	0.00		0.00		650.00	650.00
303 ENGINEERING FEES	0.00		0.00		500.00	500.00
321 TELEPHONE	121.39	0.16	321.57	0.10	2,956.00	2,634.43
325 COMMUNICATION-OTHER	408.29	0.52	958.78	0.29	5,000.00	4,041.22
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		500.00	500.00

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 20 of 31  
Report ID: L140

602 Sewer Fund

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
334 MEMBERSHIP DUES AND FEES	50.00	0.06	70.00	0.02	20.00	-50.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		87.75	0.03	25.00	-62.75
370 MAINTENANCE/SUPPORT FEES	0.00		239.85	0.07	1,750.00	1,510.15
430 OTHER SERVICE/CHARGES-MISC.	10.00	0.01	35.00	0.01	50.00	15.00
438 CREDIT CARD FEES	419.98	0.54	1,333.38	0.40	4,700.00	3,366.62
440 PROFESSIONAL SERVICES	0.00		75.00	0.02	400.00	325.00
Account Total						
	6,953.86	8.94	21,082.33	6.34	103,662.00	82,579.67
Total Department	6,953.86	8.94	21,082.33	6.34	103,662.00	82,579.67
Total Expenses	77,823.87	100.00	332,517.44	100.00	2,569,400.00	2,236,882.56
Net Income (Loss)	124,973.49	160.59	241,704.45	72.69		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 21 of 31  
Report ID: L140

604 Electric Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>						
<b>Transmission/Distribution</b>						
3621 INTEREST EARNED	5,441.97	1.93	11,752.11	1.82	10,000.00	1,752.11
3622 RENTS AND ROYALTIES	838.18	0.30	1,676.36	0.26	3,000.00	-1,323.64
3624 MISC REVENUE - REFUNDS	52,649.56	18.66	77,432.28	11.98	1,000.00	76,432.28
3735 ELECTRIC ASSESSMENT	1,320.00	0.47	2,860.00	0.44	4,400.00	-1,540.00
3740 ELECTRIC SALES-RES/COMM	265,176.86	93.97	897,546.59	138.86	3,980,836.00	-3,083,289.41
3742 ELECTRIC SALES-DEMAND	34,668.10	12.29	93,873.29	14.52	496,789.00	-402,915.71
3745 CONNECTION/RECONNECTION F	400.00	0.14	750.00	0.12	4,800.00	-4,050.00
3746 PENALTIES	3,605.32	1.28	11,362.86	1.76	40,000.00	-28,637.14
3747 ELECTRIC METER HOOKUP FEE	390.00	0.14	845.00	0.13	0.00	845.00
3749 CIP Chg	7,959.06	2.82	26,679.15	4.13	119,425.00	-92,745.85
Total Department	372,449.05	131.99	1,124,777.64	174.01	4,660,250.00	-3,535,472.36
Total Revenue	372,449.05	100.00	1,124,777.64	100.00	4,660,250.00	-3,535,472.36
<b>Expenses</b>						
<b>Government Buildings and Library</b>						
<b>Government Buildings and Library</b>						
103 PART-TIME EMPLOYEES	374.19	0.13	631.39	0.10	3,500.00	2,868.61
121 EMPLOYER PERA CONTRIBUTIONS	28.08	0.01	47.37	0.01	263.00	215.63
122 EMPLOYER FICA CONTRIBUTIONS	22.49	0.01	37.91	0.01	217.00	179.09
123 EMPLOYER MEDICARE CONTRIBUTION	5.26		8.87		51.00	42.13
Account Total						
	430.02	0.15	725.54	0.11	4,031.00	3,305.46
Total Department	430.02	0.15	725.54	0.11	4,031.00	3,305.46
<b>Debt Service</b>						
<b>Debt Service</b>						
601 BOND PRINCIPAL	0.00		45,896.95	7.10	61,204.00	15,307.05
611 BOND INTEREST	13.73		3,067.97	0.47	7,618.00	4,550.03
Account Total						
	13.73		48,964.92	7.58	68,822.00	19,857.08
Total Department	13.73		48,964.92	7.58	68,822.00	19,857.08
<b>Power Supply</b>						
<b>Power Supply</b>						
381 PURCHASED POWER	194,979.08	69.10	383,093.34	59.27	2,874,813.00	2,491,719.66
Account Total						
	194,979.08	69.10	383,093.34	59.27	2,874,813.00	2,491,719.66
Total Department	194,979.08	69.10	383,093.34	59.27	2,874,813.00	2,491,719.66
<b>Transmission/Distribution</b>						
<b>Transmission/Distribution</b>						
101 FULL-TIME EMPLOYEES - REGULAR	22,446.55	7.95	64,907.69	10.04	359,200.00	294,292.31
102 FULL-TIME EMPLOYEES - OVERTIME	427.22	0.15	781.85	0.12	8,000.00	7,218.15
121 EMPLOYER PERA CONTRIBUTIONS	1,715.56	0.61	4,926.73	0.76	27,540.00	22,613.27
122 EMPLOYER FICA CONTRIBUTIONS	1,368.02	0.48	3,922.97	0.61	22,766.00	18,843.03
123 EMPLOYER MEDICARE CONTRIBUTION	319.95	0.11	917.49	0.14	5,324.00	4,406.51
130 EMPLOYER PAID INSURANCE	4,083.40	1.45	12,173.42	1.88	60,000.00	47,826.58
150 WORKER'S COMPENSATION	0.00		13,388.00	2.07	14,500.00	1,112.00
210 OPERATING SUPPLIES	756.99	0.27	909.25	0.14	10,000.00	9,090.75
212 MOTOR FUELS	293.31	0.10	682.52	0.11	5,500.00	4,817.48

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 22 of 31  
Report ID: L140

604 Electric Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
214 UNIFORMS	0.00		582.83	0.09	3,500.00	2,917.17
220 REPAIR/MAINTENANCE SUPPLIES	19,459.61	6.90	19,657.13	3.04	100,000.00	80,342.87
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		4,000.00	4,000.00
260 METERS	0.00		0.00		10,000.00	10,000.00
270 TRANSFORMERS	0.00		0.00		25,000.00	25,000.00
303 ENGINEERING FEES	0.00		0.00		5,000.00	5,000.00
343 OTHER ADVERTISING	0.00		0.00		250.00	250.00
360 INSURANCE	4,569.92	1.62	4,569.92	0.71	8,200.00	3,630.08
380 UTILITY SERVICES	1,382.10	0.49	2,485.64	0.38	13,500.00	11,014.36
400 REPAIRS & MAINTENANCE	0.00		0.00		6,000.00	6,000.00
410 RENTALS	85.02	0.03	106.35	0.02	500.00	393.65
430 OTHER SERVICE/CHARGES-MISC.	738.58	0.26	3,256.98	0.50	3,600.00	343.02
433 MMUA SAFETY PROGRAM	199.86	0.07	2,640.45	0.41	4,820.00	2,179.55
437 LOCATES	16.20	0.01	382.40	0.06	3,000.00	2,617.60
444 OTHER CONTRACTUAL SERVICES	6,522.48	2.31	8,242.58	1.28	55,000.00	46,757.42
Account Total						
	64,384.77	22.82	144,534.20	22.36	755,200.00	610,665.80
Total Department	64,384.77	22.82	144,534.20	22.36	755,200.00	610,665.80
Customer Account/Meter Reader						
Customer Account/Mtr Reader						
613 Customer Interest	0.00		0.00		800.00	800.00
Account Total					800.00	800.00
Total Department					800.00	800.00
Administration & General						
Administration & General						
101 FULL-TIME EMPLOYEES - REGULAR	10,380.78	3.68	31,366.30	4.85	152,000.00	120,633.70
102 FULL-TIME EMPLOYEES - OVERTIME	0.00		0.00		2,000.00	2,000.00
121 EMPLOYER PERA CONTRIBUTIONS	778.54	0.28	2,352.47	0.36	11,550.00	9,197.53
122 EMPLOYER FICA CONTRIBUTIONS	598.85	0.21	1,812.72	0.28	9,548.00	7,735.28
123 EMPLOYER MEDICARE CONTRIBUTION	140.05	0.05	423.95	0.07	2,234.00	1,810.05
130 EMPLOYER PAID INSURANCE	2,325.66	0.82	6,977.50	1.08	29,700.00	22,722.50
160 LIABILITY INSURANCE	21.64	0.01	21.64		45.00	23.36
210 OPERATING SUPPLIES	81.61	0.03	210.23	0.03	2,750.00	2,539.77
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		500.00	500.00
301 AUDITING/ACCOUNTING	0.00		0.00		4,200.00	4,200.00
304 LEGAL FEES	0.00		0.00		5,000.00	5,000.00
309 EDP, SOFTWARE & DESIGN	39.90	0.01	39.90	0.01	1,000.00	960.10
321 TELEPHONE	632.61	0.22	1,609.96	0.25	10,000.00	8,390.04
325 COMMUNICATION-OTHER	876.57	0.31	1,897.57	0.29	10,500.00	8,602.43
332 ADMINISTRATOR MEETINGS &	169.27	0.06	394.07	0.06	0.00	-394.07
333 STAFF MEETINGS & CONFERENCES	0.00		1,350.00	0.21	3,500.00	2,150.00
334 MEMBERSHIP DUES AND FEES	1,500.00	0.53	9,194.00	1.42	40,000.00	30,806.00
352 GENERAL NOTICE/PUBLIC INFO	0.00		0.00		150.00	150.00
370 MAINTENANCE/SUPPORT FEES	0.00		1,193.72	0.18	4,000.00	2,806.28
400 REPAIRS & MAINTENANCE	0.00		0.00		550.00	550.00
429 CIP PROGRAM	1,591.21	0.56	4,240.72	0.66	119,425.00	115,184.28
430 OTHER SERVICE/CHARGES-MISC.	1,429.85	0.51	1,459.85	0.23	135,000.00	133,540.15
435 UNCOLLECTIBLE	856.96	0.30	860.22	0.13	0.00	-860.22
438 CREDIT CARD FEES	950.96	0.34	2,961.76	0.46	10,000.00	7,038.24
440 PROFESSIONAL SERVICES	0.00		700.00	0.11	7,500.00	6,800.00



05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 23 of 31  
Report ID: L140

604 Electric Fund

		Actual		Actual		Annual Budget "	Variance
		Period to Date	%	Year-To-Date	%		
Account Total		22,374.46	7.93	69,066.58	10.69	561,152.00	492,085.42
Total Department		22,374.46	7.93	69,066.58	10.69	561,152.00	492,085.42
Depreciation							
Depreciation							
420 DEPRECIATION		0.00		0.00		100,000.00	100,000.00
Account Total						100,000.00	100,000.00
Total Department						100,000.00	100,000.00
Other Expenses							
Other Expense							
720 OPERATING TRANSFERS		0.00		0.00		248,000.00	248,000.00
Account Total						248,000.00	248,000.00
Total Department						248,000.00	248,000.00
Total Expenses		282,182.06	100.00	646,384.58	100.00	4,612,818.00	3,966,433.42
Net Income (Loss)		90,266.99	31.99	478,393.06	74.01		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 24 of 31  
Report ID: L140

605 Storm Water

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>						
<b>Storm Public Works</b>						
3621 INTEREST EARNED	643.30	4.59	1,801.88	1.09	3,000.00	-1,198.12
3730 STORM USER CHARGE	39,753.34	283.47	119,155.22	71.81	445,000.00	-325,844.78
3746 PENALTIES	363.05	2.59	968.53	0.58	2,200.00	-1,231.47
Total Department	40,759.69	290.65	121,925.63	73.48	450,200.00	-328,274.37
Total Revenue	40,759.69	100.00	121,925.63	100.00	450,200.00	-328,274.37
<b>Expenses</b>						
<b>Debt Service</b>						
<b>Debt Service</b>						
601 BOND PRINCIPAL	0.00		116,423.99	70.16	116,424.00	0.01
611 BOND INTEREST	0.00		13,555.63	8.17	25,988.00	12,432.37
Account Total			129,979.62	78.33	142,412.00	12,432.38
Total Department			129,979.62	78.33	142,412.00	12,432.38
<b>Storm Public Works</b>						
<b>Storm Public Works</b>						
101 FULL-TIME EMPLOYEES - REGULAR	3,245.41	23.14	9,756.87	5.88	45,000.00	35,243.13
121 EMPLOYER PERA CONTRIBUTIONS	243.38	1.74	731.66	0.44	3,375.00	2,643.34
122 EMPLOYER FICA CONTRIBUTIONS	193.09	1.38	580.57	0.35	2,790.00	2,209.43
123 EMPLOYER MEDICARE CONTRIBUTION	45.14	0.32	135.74	0.08	653.00	517.26
130 EMPLOYER PAID INSURANCE	549.61	3.92	1,637.84	0.99	15,000.00	13,362.16
210 OPERATING SUPPLIES	255.50	1.82	472.05	0.28	5,000.00	4,527.95
214 UNIFORMS	0.00		0.00		280.00	280.00
220 REPAIR/MAINTENANCE SUPPLIES	1,134.97	8.09	1,134.97	0.68	10,500.00	9,365.03
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		500.00	500.00
303 ENGINEERING FEES	5,152.96	36.74	5,152.96	3.11	162,000.00	156,847.04
325 COMMUNICATION-OTHER	403.29	2.88	948.78	0.57	5,000.00	4,051.22
360 INSURANCE	376.70	2.69	376.70	0.23	820.00	443.30
370 MAINTENANCE/SUPPORT FEES	0.00		168.45	0.10	1,700.00	1,531.55
400 REPAIRS & MAINTENANCE	0.00		0.00		30,000.00	30,000.00
410 RENTALS	0.00		0.00		500.00	500.00
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		100.00	100.00
433 MMUA SAFETY PROGRAM	17.12	0.12	2,457.71	1.48	4,820.00	2,362.29
444 OTHER CONTRACTUAL SERVICES	30.15	0.21	50.25	0.03	0.00	-50.25
Account Total	11,647.32	83.05	23,604.55	14.23	288,038.00	264,433.45
Total Department	11,647.32	83.05	23,604.55	14.23	288,038.00	264,433.45
<b>Storm Administration</b>						
<b>Storm Admin</b>						
101 FULL-TIME EMPLOYEES - REGULAR	1,444.54	10.30	4,403.06	2.65	19,600.00	15,196.94
121 EMPLOYER PERA CONTRIBUTIONS	108.35	0.77	330.29	0.20	1,470.00	1,139.71
122 EMPLOYER FICA CONTRIBUTIONS	83.98	0.60	256.59	0.15	1,215.00	958.41
123 EMPLOYER MEDICARE CONTRIBUTION	19.63	0.14	59.99	0.04	284.00	224.01
130 EMPLOYER PAID INSURANCE	299.86	2.14	899.52	0.54	3,700.00	2,800.48
150 WORKER'S COMPENSATION	0.00		4,301.00	2.59	4,700.00	399.00
210 OPERATING SUPPLIES	0.00		13.95	0.01	700.00	686.05

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 25 of 31  
Report ID: L140

605 Storm Water

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
301 AUDITING/ACCOUNTING	0.00		0.00		1,100.00	1,100.00
303 ENGINEERING FEES	0.00		0.00		5,000.00	5,000.00
309 EDP, SOFTWARE & DESIGN	0.00		0.00		500.00	500.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		300.00	300.00
370 MAINTENANCE/SUPPORT FEES	0.00		142.80	0.09	450.00	307.20
430 OTHER SERVICE/CHARGES-MISC.	0.00		10.00	0.01	200.00	190.00
438 CREDIT CARD FEES	419.98	2.99	1,333.38	0.80	4,700.00	3,366.62
440 PROFESSIONAL SERVICES	0.00		600.00	0.36	725.00	125.00
Account Total	2,376.34	16.95	12,350.58	7.44	44,644.00	32,293.42
Total Department	2,376.34	16.95	12,350.58	7.44	44,644.00	32,293.42
Total Expenses	14,023.66	100.00	165,934.75	100.00	475,094.00	309,159.25
Net Income (Loss)	26,736.03	190.65	-44,009.12	-26.52		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 26 of 31  
Report ID: L140

606 ICE ARENA

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
<b>Revenue</b>						
<b>Ice Arena</b>						
3450 SCHOOL/YOUTH ICE RENTAL	34,730.00	164.57	68,825.00	116.59	230,000.00	-161,175.00
3451 LEAGUE HOCKEY	0.00		700.00	1.19	50,000.00	-49,300.00
3452 PUBLIC SKATE	0.00		0.00		1,500.00	-1,500.00
3453 OPEN HOCKEY/ ICE TIME	0.00		0.00		5,000.00	-5,000.00
3454 LEASED SIGN REVENUE	0.00		0.00		1,500.00	-1,500.00
3455 CONCESSION/RENTS	0.00		0.00		2,516.00	-2,516.00
3456 POP/GUMBALL SALES	465.66	2.21	465.66	0.79	2,000.00	-1,534.34
3457 SKATE RENTS/SHARPENING	0.00		0.00		500.00	-500.00
3458 PRO SHOP SALES	0.00		0.00		200.00	-200.00
3624 MISC REVENUE - REFUNDS	0.00		4.00	0.01	3,000.00	-2,996.00
3922 OTHER MISC-GOVT	10,000.00	47.38	10,000.00	16.94	0.00	10,000.00
Total Department	45,195.66	214.16	79,994.66	135.51	296,216.00	-216,221.34
Total Revenue	45,195.66	100.00	79,994.66	100.00	296,216.00	-216,221.34
<b>Expenses</b>						
<b>Ice Arena</b>						
<b>Ice Arena</b>						
101 FULL-TIME EMPLOYEES - REGULAR	6,036.80	28.61	18,044.16	30.57	97,500.00	79,455.84
103 PART-TIME EMPLOYEES	3,560.71	16.87	8,837.03	14.97	45,000.00	36,162.97
121 EMPLOYER PERA CONTRIBUTIONS	512.38	2.43	1,523.85	2.58	7,313.00	5,789.15
122 EMPLOYER FICA CONTRIBUTIONS	568.31	2.69	1,586.43	2.69	8,835.00	7,248.57
123 EMPLOYER MEDICARE CONTRIBUTION	132.91	0.63	371.02	0.63	2,066.00	1,694.98
130 EMPLOYER PAID INSURANCE	1,783.64	8.45	5,350.92	9.06	21,700.00	16,349.08
150 WORKER'S COMPENSATION	0.00		4,884.00	8.27	5,300.00	416.00
210 OPERATING SUPPLIES	107.55	0.51	318.13	0.54	4,000.00	3,681.87
214 UNIFORMS	0.00		0.00		600.00	600.00
220 REPAIR/MAINTENANCE SUPPLIES	398.38	1.89	740.16	1.25	7,500.00	6,759.84
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		1,000.00	1,000.00
261 MERCH FOR RESALE-TAX	0.00		0.00		1,000.00	1,000.00
301 AUDITING/ACCOUNTING	0.00		0.00		900.00	900.00
321 TELEPHONE	140.26	0.66	418.95	0.71	3,500.00	3,081.05
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		1,000.00	1,000.00
334 MEMBERSHIP DUES AND FEES	75.00	0.36	275.00	0.47	400.00	125.00
343 OTHER ADVERTISING	14.05	0.07	42.15	0.07	200.00	157.85
370 MAINTENANCE/SUPPORT FEES	0.00		276.00	0.47	1,800.00	1,524.00
380 UTILITY SERVICES	5,674.37	26.89	8,308.17	14.07	76,000.00	67,691.83
400 REPAIRS & MAINTENANCE	1,995.30	9.45	7,098.43	12.02	22,500.00	15,401.57
430 OTHER SERVICE/CHARGES-MISC.	104.14	0.49	351.08	0.59	2,000.00	1,648.92
433 MMUA SAFETY PROGRAM	0.00		607.50	1.03	1,210.00	602.50
440 PROFESSIONAL SERVICES	0.00		0.00		500.00	500.00
444 OTHER CONTRACTUAL SERVICES	0.00		0.00		8,500.00	8,500.00
Account Total						
	21,103.80	100.00	59,032.98	100.00	320,324.00	261,291.02
Total Department	21,103.80	100.00	59,032.98	100.00	320,324.00	261,291.02

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 27 of 31  
Report ID: L140

606 ICE ARENA

	Actual			Actual			
	Period to Date	%		Year-To-Date	%	Annual Budget "	Variance
Total Expenses	21,103.80	100.00		59,032.98	100.00	320,324.00	261,291.02
Net Income (Loss)	24,091.86	114.16		20,961.68	35.51		

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 28 of 31  
Report ID: L140

609 Liquor Fund

	Actual Period to Date	%	Actual Year-To-Date	%	Annual Budget "	Variance
<b>Revenue</b>						
<b>Financial Adminstration</b>						
3621 INTEREST EARNED	480.56	0.35	2,017.35	0.56	3,000.00	-982.65
3624 MISC REVENUE - REFUNDS	0.00		0.00		250.00	-250.00
Total Department	480.56	0.35	2,017.35	0.56	3,250.00	-1,232.65
<b>Merchandise</b>						
3781 SALES - LIQUOR	44,216.84	32.01	124,456.96	34.39	495,000.00	-370,543.04
3782 SALES - BEER	65,664.05	47.54	177,973.03	49.18	760,000.00	-582,026.97
3783 SALES - WINE	18,530.45	13.41	57,207.79	15.81	263,000.00	-205,792.21
3784 SALES - MISC. TAXABLE	1,749.57	1.27	5,417.77	1.50	22,000.00	-16,582.23
3786 SALES - NON-TAXABLE	468.00	0.34	1,285.35	0.36	5,500.00	-4,214.65
3794 CASH OVER	51.65	0.04	121.24	0.03	0.00	121.24
Total Department	130,680.56	94.61	366,462.14	101.27	1,545,500.00	-1,179,037.86
Total Revenue	131,161.12	100.00	368,479.49	100.00	1,548,750.00	-1,180,270.51
<b>Expenses</b>						
<b>Financial Adminstration</b>						
<b>Financial Administration</b>						
101 FULL-TIME EMPLOYEES - REGULAR	0.00		0.00		2,600.00	2,600.00
121 EMPLOYER PERA CONTRIBUTIONS	0.00		0.00		195.00	195.00
122 EMPLOYER FICA CONTRIBUTIONS	0.00		0.00		161.00	161.00
123 EMPLOYER MEDICARE CONTRIBUTION	0.00		0.00		38.00	38.00
301 AUDITING/ACCOUNTING	0.00		0.00		4,200.00	4,200.00
Account Total					7,194.00	7,194.00
Total Department					7,194.00	7,194.00
<b>Merchandise</b>						
<b>Merchandise</b>						
210 OPERATING SUPPLIES	153.66	0.11	662.28	0.18	2,500.00	1,837.72
240 SMALL TOOLS/MINOR EQUIPMENT	1,508.62	1.09	1,508.62	0.42	0.00	-1,508.62
251 LIQUOR	47,552.60	34.43	132,483.89	36.61	490,000.00	357,516.11
252 BEER	64,151.91	46.44	148,798.70	41.12	640,000.00	491,201.30
254 MISC TAXABLES (SOFT DRINKS,ETC	1,894.12	1.37	4,301.07	1.19	15,000.00	10,698.93
257 ICE	167.06	0.12	257.05	0.07	2,000.00	1,742.95
259 NON-TAX MISC (O.J., ETC)	249.25	0.18	380.25	0.11	642.00	261.75
335 FREIGHT	719.56	0.52	1,919.02	0.53	10,000.00	8,080.98
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		50.00	50.00
438 CREDIT CARD FEES	2,488.92	1.80	8,794.66	2.43	30,000.00	21,205.34
Account Total						
	118,885.70	86.07	299,105.54	82.65	1,190,192.00	891,086.46
Total Department	118,885.70	86.07	299,105.54	82.65	1,190,192.00	891,086.46

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 29 of 31  
Report ID: L140

609 Liquor Fund

		Actual		Actual		Annual Budget "	Variance
		Period to Date	%	Year-To-Date	%		
Manager							
Manager							
101	FULL-TIME EMPLOYEES - REGULAR	6,036.84	4.37	18,044.26	4.99	78,500.00	60,455.74
121	EMPLOYER PERA CONTRIBUTIONS	452.76	0.33	1,353.31	0.37	5,888.00	4,534.69
122	EMPLOYER FICA CONTRIBUTIONS	364.30	0.26	1,088.79	0.30	4,867.00	3,778.21
123	EMPLOYER MEDICARE CONTRIBUTION	85.20	0.06	254.64	0.07	1,138.00	883.36
130	EMPLOYER PAID INSURANCE	829.91	0.60	2,489.73	0.69	9,900.00	7,410.27
150	WORKER'S COMPENSATION	0.00		6,794.00	1.88	7,400.00	606.00
210	OPERATING SUPPLIES	185.89	0.13	312.75	0.09	1,200.00	887.25
216	PERIODICALS	0.00		100.00	0.03	40.00	-60.00
240	SMALL TOOLS/MINOR EQUIPMENT	53.58	0.04	160.74	0.04	3,600.00	3,439.26
304	LEGAL FEES	0.00		0.00		100.00	100.00
321	TELEPHONE	164.61	0.12	494.91	0.14	1,900.00	1,405.09
331	TRAVEL/MILEAGE	0.00		0.00		250.00	250.00
333	STAFF MEETINGS & CONFERENCES	0.00		0.00		900.00	900.00
334	MEMBERSHIP DUES AND FEES	0.00		735.00	0.20	1,500.00	765.00
343	OTHER ADVERTISING	0.00		0.00		9,000.00	9,000.00
351	LEGAL NOTICES PUBLISHING	0.00		0.00		250.00	250.00
352	GENERAL NOTICE/PUBLIC INFO	0.00		0.00		25.00	25.00
370	MAINTENANCE/SUPPORT FEES	0.00		1,157.84	0.32	3,000.00	1,842.16
430	OTHER SERVICE/CHARGES-MISC.	0.00		103.40	0.03	1,000.00	896.60
433	MMUA SAFETY PROGRAM	0.00		607.50	0.17	1,210.00	602.50
439	CASH SHORT	63.45	0.05	101.33	0.03	0.00	-101.33
440	PROFESSIONAL SERVICES	0.00		600.00	0.17	525.00	-75.00
Account Total							
		8,236.54	5.96	34,398.20	9.51	132,193.00	97,794.80
Total Department		8,236.54	5.96	34,398.20	9.51	132,193.00	97,794.80
Cashiers							
Cashiers							
101	FULL-TIME EMPLOYEES - REGULAR	2,886.40	2.09	8,630.93	2.39	44,000.00	35,369.07
103	PART-TIME EMPLOYEES	1,864.30	1.35	7,035.45	1.94	45,000.00	37,964.55
121	EMPLOYER PERA CONTRIBUTIONS	302.55	0.22	940.24	0.26	6,675.00	5,734.76
122	EMPLOYER FICA CONTRIBUTIONS	267.80	0.19	884.86	0.24	5,518.00	4,633.14
123	EMPLOYER MEDICARE CONTRIBUTION	62.62	0.05	206.93	0.06	1,290.00	1,083.07
130	EMPLOYER PAID INSURANCE	1,754.02	1.27	5,262.06	1.45	21,400.00	16,137.94
160	LIABILITY INSURANCE	21.64	0.02	21.64	0.01	45.00	23.36
333	STAFF MEETINGS & CONFERENCES	0.00		0.00		300.00	300.00
334	MEMBERSHIP DUES AND FEES	0.00		0.00		50.00	50.00
Account Total							
		7,159.33	5.18	22,982.11	6.35	124,278.00	101,295.89
Total Department		7,159.33	5.18	22,982.11	6.35	124,278.00	101,295.89
Janitor							
Janitor							
210	OPERATING SUPPLIES	0.00		29.50	0.01	900.00	870.50
Account Total							
				29.50	0.01	900.00	870.50
Total Department				29.50	0.01	900.00	870.50

05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 30 of 31  
Report ID: L140

609 Liquor Fund

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
Buildings and Maintenance						
Buildings & Maintenance						
220 REPAIR/MAINTENANCE SUPPLIES	0.00		12.62		100.00	87.38
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		1,000.00	1,000.00
360 INSURANCE	2,803.02	2.03	2,803.02	0.77	4,850.00	2,046.98
380 UTILITY SERVICES	581.44	0.42	1,125.47	0.31	12,500.00	11,374.53
400 REPAIRS & MAINTENANCE	0.00		306.83	0.08	11,000.00	10,693.17
410 RENTALS	466.30	0.34	1,119.12	0.31	750.00	-369.12
Account Total	3,850.76	2.79	5,367.06	1.48	30,200.00	24,832.94
Total Department	3,850.76	2.79	5,367.06	1.48	30,200.00	24,832.94
Depreciation						
Depreciation						
420 DEPRECIATION	0.00		0.00		13,000.00	13,000.00
Account Total					13,000.00	13,000.00
Total Department					13,000.00	13,000.00
Other Expenses						
Other Expense						
720 OPERATING TRANSFERS	0.00		0.00		16,000.00	16,000.00
Account Total					16,000.00	16,000.00
Total Department					16,000.00	16,000.00
Total Expenses	138,132.33	100.00	361,882.41	100.00	1,513,957.00	1,152,074.59
Net Income (Loss)	-6,971.21	-5.05	6,597.08	1.82		



05/17/21  
08:14:55

CITY OF KASSON  
Income Statement by Department  
For the Accounting Period: 3 / 21

Page: 31 of 31  
Report ID: L140

610 Maple Grove Cemetery

	Actual		Actual		Annual Budget "	Variance
	Period to Date	%	Year-To-Date	%		
Revenue						
Cemetery Operations						
3410 CHARGES FOR SERVICES	0.00		425.00	3.79	9,000.00	-8,575.00
3411 CEMETARY LAND RENT	0.00		0.00		6,000.00	-6,000.00
3621 INTEREST EARNED	13.07	0.21	35.94	0.32	4,000.00	-3,964.06
3624 MISC REVENUE - REFUNDS	25.00	0.41	25.00	0.22	300.00	-275.00
3711 BURIAL LOTS	0.00		250.00	2.23	4,000.00	-3,750.00
Total Department	38.07	0.62	735.94	6.56	23,300.00	-22,564.06
Total Revenue	38.07	100.00	735.94	100.00	23,300.00	-22,564.06
Expenses						
Cemetery Operations						
101 FULL-TIME EMPLOYEES - REGULAR	869.93	14.23	2,586.97	23.07	13,500.00	10,913.03
121 EMPLOYER PERA CONTRIBUTIONS	65.23	1.07	194.06	1.73	1,013.00	818.94
122 EMPLOYER FICA CONTRIBUTIONS	51.53	0.84	153.18	1.37	837.00	683.82
123 EMPLOYER MEDICARE CONTRIBUTION	12.05	0.20	35.83	0.32	195.00	159.17
130 EMPLOYER PAID INSURANCE	148.70	2.43	446.15	3.98	1,800.00	1,353.85
150 WORKER'S COMPENSATION	0.00		1,197.00	10.67	1,300.00	103.00
210 OPERATING SUPPLIES	10.00	0.16	20.00	0.18	500.00	480.00
214 UNIFORMS	0.00		0.00		50.00	50.00
220 REPAIR/MAINTENANCE SUPPLIES	0.00		0.00		500.00	500.00
240 SMALL TOOLS/MINOR EQUIPMENT	0.00		0.00		2,000.00	2,000.00
301 AUDITING/ACCOUNTING	0.00		0.00		1,000.00	1,000.00
333 STAFF MEETINGS & CONFERENCES	0.00		0.00		500.00	500.00
334 MEMBERSHIP DUES AND FEES	0.00		0.00		100.00	100.00
360 INSURANCE	346.56	5.67	346.56	3.09	700.00	353.44
370 MAINTENANCE/SUPPORT FEES	0.00		1,292.80	11.53	1,560.00	267.20
380 UTILITY SERVICES	30.63	0.50	61.16	0.55	500.00	438.84
430 OTHER SERVICE/CHARGES-MISC.	0.00		0.00		8,000.00	8,000.00
440 PROFESSIONAL SERVICES	0.00		300.00	2.68	400.00	100.00
444 OTHER CONTRACTUAL SERVICES	4,580.00	74.90	4,580.00	40.84	24,000.00	19,420.00
Account Total	6,114.63	100.00	11,213.71	100.00	58,455.00	47,241.29
Total Department	6,114.63	100.00	11,213.71	100.00	58,455.00	47,241.29
Total Expenses	6,114.63	100.00	11,213.71	100.00	58,455.00	47,241.29
Net Income(Loss)	-6,076.56	-99.38	-10,477.77	-93.44		

**MERCURY MINIMIZATION PLAN**  
**KASSON WASTEWATER TREATMENT FACILITY**  
**KASSON, MINNESOTA**  
**MAY 2021**



# Facility

## Facility Description

The Kasson Wastewater Treatment Facility (WWTF) is located in the NE part of Kasson, MN in the NE & SE ¼ of NW ¼ of Section 27, Township 107 North, Range 16 West, Kasson, Dodge County, Minnesota.

The existing treatment system consists of an influent lift station (with two wet wells), retention basin, mechanical screen (with backup manual bar screen) vortex grit removal system, three (3) anaerobic/anoxic tanks, two (2) oxidation ditches, two (2) final clarifiers, and ultraviolet (UV) disinfection. Sludge handling consists of two (2) aerobic digesters and reed drying beds. This is a Class A facility. In addition, the collection system includes three lift stations, including the one at the WWTF.

The Facility has a continuous discharge to the south branch of the middle fork of the Zumbro River.

## Facility Changes

In the past five years there have been updates made to the collection system, but not to the wastewater treatment facility. Table A summarizes the recent changes.

Table A: Changes in the Facility

Change	Year 1-2016	Year 2-2017	Year 3-2018	Year 4-2019	Year 5-2020
<b>Facility</b>	Improvements Project			Emptied out reed drying beds	
<b>Collection System</b>	Sewer Extension	Sewer Extension	Sewer Extension	Sewer Extension	Sewer Extension
<b>Operation Process</b>	Added retention tank				
<b>Changes in Industrial Users (added or removed)</b>					
<b>Other</b>	Added flow from City of Mantorville, MN				

### Monitoring for Mercury

The City currently monitors Mercury concentrations in the process influent and effluent sampling and in the biosolids from the WWTF. Table B indicates the locations of Mercury monitoring and the results.

Table B: Monitoring for Mercury

<b>Location</b>	<b>Results</b>
Influent	See Table C in Appendix
Effluent	See Table C in Appendix
Biosolids	See Table D in Appendix

## WWTF's Influent and Effluent Mercury Concentrations

The Mercury (Hg) concentration of the influent and effluent wastewater is currently tested six times per year (twice a year prior to 2018). Tables E and F below summarize average daily and annual flows and loadings over the last five years. Refer to Table C: WWTF Calendar Month Average Influent and Effluent Data, listed in the Appendix for a summary of the monthly flow and Mercury measurements over the past five years.

Table E: Average Daily Flows and Loadings

Year	Influent Flow* (million gal/day)	Influent Hg Concentration (ng/L)	Influent Hg Loading (mg/day)	Effluent Hg Concentration (ng/L)	Effluent Hg Loading (mg/day)
2016	1.052	137.00	688.30	2.20	10.31
2017	0.987	33.50	138.55	1.29	4.90
2018	1.004	38.80	177.11	1.23	5.34
2019	1.384	13.38	69.29	0.88	4.63
2020	0.982	8.87	35.58	0.48	1.83
Average	1.082	46.31	221.76	1.22	5.40

\*Effluent flow approximately equals influent flow.

Table F: Total Annual Flows and Loadings

Year	Annual Influent Flow* (million gal/yr)	Annual Influent Hg Load (mg/yr)	Annual Effluent Hg Load (mg/yr)	Hg Percent Removal (%)
2016	384.0	199,126	3,003	98
2017	360.0	45,643	1,643	96
2018	367.0	53,895	1,615	97
2019	506.6	25,664	1,588	94
2020	359.0	12,048	609	95
Average	395.3	67,275	1,692	96

\* Effluent flow approximately equals influent flow.

## Mercury Reduction Potential of Users

The community has several sources that could be potentially contributing Mercury into the sanitary sewer system. Table G below shows a summary of potential Mercury sources. A summary of contacts made with the potential Mercury sources is included in the Appendix.

Table G: Summary of Mercury Sources

<b>Year: 2020</b>	<b>Inventory</b>	<b>Assessment</b>
<b>Businesses (medical, industrial, commercial, institutional)</b>	<b>Mercury sources</b>	<b>Reduction potential high, medium or low</b>
Kasson Dental Clinic	Amalgam is recovered by a separator and recycled	Low
Hy-Vee Pharmacy		Low
Mayo Clinic		Low
Carriage House Vet Clinic		Low
K-M Regional Vet Clinic		Low
<b>Municipal sources</b>	<b>Mercury sources</b>	<b>Reduction potential high, medium or low</b>
Elementary School		Low
Middle School		Low
High School		Low
<b>Domestic (population served #)</b>	<b>Mercury sources</b>	<b>Reduction potential high, medium or low</b>
7,290		Low

## **WWTF's Mercury Reduction Potential**

The influent and effluent Mercury concentrations for the Kasson WWTF have both trended down over the past 5 years. The average annual influent concentration ranged from 8.87 to 137.00 ng/L. The typical range for influent Mercury concentrations is 50-500 ng/L according to the US Environmental Protection Agency (EPA). The average effluent concentration ranged from 0.48 to 2.20 ng/L annually. According to the US EPA the typical Mercury concentration for wastewater effluent ranges from 1-20 ng/L. The Kasson WWTF is currently at the low end of the typical value ranges for influent and effluent Mercury concentration levels.

## Past Mercury Reduction Activities

Table H summarizes the activities that have been performed throughout the City of Kasson to help reduce Mercury concentrations, over the past five years.

Table H: Mercury Reduction Activities

User	Activity
Businesses – Industrial, Commerical, and Institutional Users	<ul style="list-style-type: none"><li>• Verbal discussions with businesses</li><li>• Encourage Mercury recycling</li><li>• Encourage reducing use of Mercury containing products where possible</li></ul>
Municipal Sources	<ul style="list-style-type: none"><li>• Kasson-Mantorville School District has program in place to deal with Mercury with health and safety coordinator.</li><li>• Verbal discussions with schools</li><li>• Encourage Mercury containment and recycling</li><li>• Encourage reducing use of Mercury containing products where possible</li></ul>
Domestic	<ul style="list-style-type: none"><li>• Encourage Mercury containment and recycling and participation in County's free residential hazardous waste collection.</li></ul>
WWTF	<ul style="list-style-type: none"><li>• Phase out Mercury containing equipment and chemicals used at the WWTF, if identified</li></ul>



## Implementation Plan for Mercury Management and Reduction

An implementation plan has been put in place to meet the various Mercury reduction and management goals. Table I shows the different Mercury reduction strategies for each user.

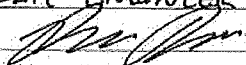
Table I: Mercury Reduction Strategies


User	Activity	Goal
Businesses – Industrial, Commercial, and Institutional Users	<ul style="list-style-type: none"> <li>• Verbal discussions with businesses</li> <li>• Informational Mailings on Mercury and Best Management Practices (mailed with newsletter)</li> <li>• Encourage Mercury recycling</li> <li>• Encourage reducing use of Mercury containing products where possible</li> </ul>	<ul style="list-style-type: none"> <li>• Mercury-free wherever practicable.</li> <li>• Capture and recycle Mercury used to minimize Mercury discharges</li> <li>• Phase out of Mercury containing devices and chemicals</li> <li>• Spill management</li> </ul>
Municipal Sources	<ul style="list-style-type: none"> <li>• Verbal discussions with schools</li> <li>• Encourage Mercury containment and recycling</li> <li>• Encourage reducing use of Mercury containing products where possible</li> <li>• Educational posters on Mercury reduction posted at schools and City Hall</li> </ul>	<ul style="list-style-type: none"> <li>• Phase out of Mercury containing devices and chemicals</li> <li>• Mercury-free wherever practicable.</li> <li>• Recycling of Mercury products</li> <li>• Collection for proper disposal of Hazardous wastes</li> <li>• Spill management</li> </ul>
Domestic	<ul style="list-style-type: none"> <li>• Informational Mailings/Flyers on Mercury and ways to reduce use (mailed with newsletter)</li> <li>• Postings at community centers such as City Hall &amp; City Website</li> <li>• Encourage Mercury containment and recycling and participation in County's Hazardous waste collection.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced used of Mercury containing products</li> <li>• Recycling of Mercury products</li> <li>• Collection for proper disposal of Hazardous wastes</li> <li>• Spill Management</li> </ul>
WWTF	<ul style="list-style-type: none"> <li>• Phase out Mercury containing equipment and chemicals used at the WWTF, if identified</li> </ul>	<ul style="list-style-type: none"> <li>• Mercury-free wherever practicable.</li> <li>• Spill Management</li> </ul>

Over the next five years the goal for the City of Kasson will be to reduce potential Mercury contributions at the source. This will involve a community wide initiative to better inform the users of the potential Mercury sources on how they can assist in reducing the Mercury levels going to the WWTF. The information presented to the community will include information on why it is important to reduce the amount of Mercury in the sewer system, what are potential sources of Mercury, and how citizens and businesses can help reduce Mercury loadings.

The Mercury concentrations will continue to be monitored at the WWTF through measurements every other month. If the Mercury levels increase significantly, more investigative measures will be taken to determine the potential sources. The goal for the next five years is to see a decrease or plateau in the level of Mercury coming to the WWTF. Existing mercury levels are already at the low end of typical range and therefore are not expected to decrease greatly. At a minimum, the mercury level should remain relatively consistent in order to stay below typical levels as described previously.

#### Certification

Preparer  
(please print): BRANDON THEOBALD  
Title: CITY ENGINEER Date: 5/14/21  
Signature:   
Phone: 507-280-3923 Fax: N/A

Authorized agent  
(if different): David Vosen  
Title: WQ/WWW Supervisor Date: 5-18-21  
Signature:   
Phone: 507-421-3155 Fax: N/A

## Appendix

# Table C: WWTF Calendar Month Average Influent and Effluent Data 1

	<i>Year: 2016</i>					
	<i>Influent</i>			<i>Effluent</i>		
<i>Month</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>
<i>Jan</i>	0.800			0.740		
<i>Feb</i>	0.840			0.790		
<i>Mar</i>	1.300	199.00	979.18	1.200	2.70	12.26
<i>Apr</i>	1.200			1.100		
<i>May</i>	0.930			0.870		
<i>Jun</i>	1.200			1.100		
<i>Jul</i>	0.980			0.930		
<i>Aug</i>	1.200			1.200		
<i>Sep</i>	1.400	75.00	397.43	1.300	1.70	8.36
<i>Oct</i>	1.000			0.970		
<i>Nov</i>	0.890			0.830		
<i>Dec</i>	0.880			0.820		
<i>Annual Avg</i>	1.052	137.00	688.30	0.988	2.20	10.31
<i>Annual Influent Flow</i>			384.0 million gallons/year			
<i>Annual Effluent Flow</i>			360.7 million gallons/year			
<i>Annual Influent Mercury Load</i>			199126.5 mg/year			
<i>Annual Effluent Mercury Load</i>			3003.1 mg/year			
<i>Mercury Percent Removal</i>			98%			

# Table C: WWTF Calendar Month Average Influent and Effluent Data 2

	<i>Year: 2017</i>					
	<i>Influent</i>			<i>Effluent</i>		
<i>Month</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>
<i>Jan</i>	0.920			0.840		
<i>Feb</i>	1.100			1.000		
<i>Mar</i>	1.400	38.00	201.36	1.300	1.40	6.89
<i>Apr</i>	1.500			1.400		
<i>May</i>	1.300			1.200		
<i>Jun</i>	1.000			0.950		
<i>Jul</i>	0.890			0.850		
<i>Aug</i>	0.800			0.760		
<i>Sep</i>	0.690	29.00	75.74	0.650	1.18	2.90
<i>Oct</i>	0.740			0.700		
<i>Nov</i>	0.830			0.780		
<i>Dec</i>	0.678			0.644		
<i>Annual Avg</i>	0.987	33.50	138.55	0.923	1.29	4.90
<i>Annual Influent Flow</i>			360.0 million gallons/year			
<i>Annual Effluent Flow</i>			336.5 million gallons/year			
<i>Annual Influent Mercury Load</i>			45643.0 mg/year			
<i>Annual Effluent Mercury Load</i>			1643.1 mg/year			
<i>Mercury Percent Removal</i>			96%			

Table C: WWTF Calendar Month Average Influent and Effluent Data 3

	<i>Year: 2018</i>					
	<i>Influent</i>			<i>Effluent</i>		
<i>Month</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>
<i>Jan</i>	0.769			0.733		
<i>Feb</i>	0.675			0.725		
<i>Mar</i>	0.823	26.00	81.0	0.815		
<i>Apr</i>	1.187			1.139		
<i>May</i>	1.438	88.00	479.0	1.307	2.40	11.87
<i>Jun</i>	1.188			1.083		
<i>Jul</i>	0.986	22.00	82.1	0.911	0.50	1.72
<i>Aug</i>	0.734			0.701		
<i>Sep</i>	1.190	39.00	175.7	1.153	0.80	3.49
<i>Oct</i>	1.289			1.153		
<i>Nov</i>	0.943	19.00	67.8	0.939	1.20	4.26
<i>Dec</i>	0.827			0.789		
<i>Annual Avg</i>	1.004	38.8	177.11	0.954	1.23	5.34
<i>Annual Influent Flow</i>			367.0 million gallons/year			
<i>Annual Effluent Flow</i>			348.4 million gallons/year			
<i>Annual Influent Mercury Load</i>			53894.8 mg/year			
<i>Annual Effluent Mercury Load</i>			1615.4 mg/year			
<i>Mercury Percent Removal</i>			97%			

Table C: WWTF Calendar Month Average Influent and Effluent Data 4

	<i>Year: 2019</i>					
	<i>Influent</i>			<i>Effluent</i>		
<i>Month</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>
<i>Jan</i>	0.846	12.00	38.43	0.799	0.90	2.72
<i>Feb</i>	0.737			0.707		
<i>Mar</i>	1.673	11.00	69.66	1.588	2.20	13.22
<i>Apr</i>	1.727			1.594		
<i>May</i>	1.686	9.90	63.18	1.574	0.90	5.36
<i>Jun</i>	1.715			1.613		
<i>Jul</i>	2.297	8.40	73.03	2.175	0.30	2.47
<i>Aug</i>	0.920			0.855		
<i>Sep</i>	1.340	16.00	81.15	1.267	0.30	1.44
<i>Oct</i>	1.606			1.498		
<i>Nov</i>	1.037	23.00	90.28	0.959	0.70	2.54
<i>Dec</i>	1.018			0.936		
<i>Annual Avg</i>	1.384	13.38	69.29	1.297	0.88	4.63
<i>Annual Influent Flow</i>			506.6 million gallons/year			
<i>Annual Effluent Flow</i>			475.0 million gallons/year			
<i>Annual Influent Mercury Load</i>			25663.9 mg/year			
<i>Annual Effluent Mercury Load</i>			1588.0 mg/year			
<i>Mercury Percent Removal</i>			94%			

Table C: WWTF Calendar Month Average Influent and Effluent Data 5

	<i>Year: 2020</i>					
	<i>Influent</i>			<i>Effluent</i>		
<i>Month</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>	<i>flow (MGD)</i>	<i>concentration (ng/L)</i>	<i>mass (mg/day)</i>
<i>Jan</i>	0.942	7.80	27.81	0.860	0.30	0.98
<i>Feb</i>	0.782			0.717		
<i>Mar</i>	1.462	12.00	66.40	1.354	0.80	4.10
<i>Apr</i>	1.364			1.231		
<i>May</i>	1.424	7.20	38.81	1.325	0.30	1.50
<i>Jun</i>	1.123			1.054		
<i>Jul</i>	0.940	4.40	15.65	0.891	0.50	1.69
<i>Aug</i>	0.761			0.719		
<i>Sep</i>	0.814	6.80	20.95	0.758	0.50	1.43
<i>Oct</i>	0.721			0.670	0.50	1.27
<i>Nov</i>	0.772	15.00	43.83	0.718		
<i>Dec</i>	0.683			0.633		
<i>Avg</i>	0.982	8.87	35.58	0.911	0.48	1.83
<i>Annual Influent Flow</i>			359.0 million gallons/year			
<i>Annual Effluent Flow</i>			332.9 million gallons/year			
<i>Annual Influent Mercury Load</i>			12048.5 mg/year			
<i>Annual Effluent Mercury Load</i>			609.0 mg/year			
<i>Mercury Percent Removal</i>			95%			



Table D: Biosolids Mercury Concentrations

<b>Year</b>	<b>Mercury Concentration (mg/kg)</b>
2011	1.00
2012	1.01
2013	1.12
2014	1.12
2015	0.90
2018*	0.002
Average	0.86

\*Biosolids were sampled once for Mercury between 2016-2020.

## MEMORANDUM

TO: Kevin Graves, PE

FROM: Brandon Theobald, PE

DATE: May 14, 2021

RE: Kasson - Mercury Minimization Plan  
Waste Management Survey

Below is a summary of the survey I conducted for the Mercury Minimization Plan.

**1. Kasson Dental Clinic**

Scott Winkle, 507.634.6421

Did not return phone call.

In 2016 reported: Amalgam separator used to collect mercury. Recovered for recycling and picked up by certified hauler (McGuire).

**2. Hy-Vee Pharmacy**

John, Pharmacist, 507.634.3341

Not aware of any mercury, all digital thermometers. Recently moved and did not bring any old equipment with them.

**3. Mayo Clinic**

Ray Gladkowski, Hazardous Waste Manager, 507.284.6369

Not aware of any mercury, no waste collected at facility. Blood pressure cuffs and thermometers containing mercury have been phase out years ago. Have a hazardous waste protocol.

**4. Carriage House Vet Clinic**

Sarah, 507.634.6781

Not aware of any mercury, all digital thermometers and automatic process for x-rays.

**5. K-M Regional Vet Clinic**

Dr. Lauren Dinsmore, 507.634.8000

Not aware of any mercury, all digital thermometers.

**6. Kasson-Mantorville School District**

J.J. Williams, 507.273.4022

Not aware of any mercury, not buying anything with mercury, switches have been replaced. School has a chemical hygiene plan. If any was found on property, school has a health and safety coordinator to address.

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# **SE MINNESOTA REGIONAL TRANSPORTATION PLANNING**

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SE MN Economic Development Professionals Meeting

14 May 2021

Brian Carlson, SE Minnesota Together



# 2015 - 2017 Regional Convenings



SOUTHERN MINNESOTA  
INITIATIVE FOUNDATION

Collaborating for Regional Vitality



# 2018 - 2019

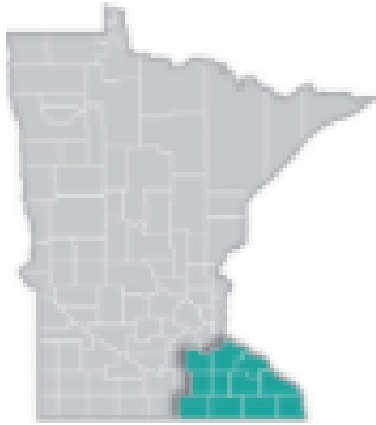
- MnDOT-sponsored study for Regional Transportation Coordinating Council
  - Focus on Health & Human Services Needs
  - Region-wide engagement
- SE MN Region Communities said
  - We NEED TRANSPORTATION for HHS clients  
AND EMPLOYMENT, EDUCATION,  
HOSPITALITY / TOURISM

# 2020 - 2021

- Pandemic Changed Many Services
  - Work from home
  - No more commuting for many people
  - Commuter Bus Service Discontinued
- Moving Forward . . . What are the needs?
  - Rebounding Economy
  - Need for Employees
  - Need for Transportation

# SE MN Regional Transportation

- Employees still need to travel to work
  - Local employers trying to expand / grow
  - Students are returning to school
  - Hospitality/Tourism will rebound
- 
- What details do we know??



## Southeast Minnesota Inflow/Outflow Data

Mark Schultz

*Regional Labor Market Analyst – Southeast and South Central Minnesota*

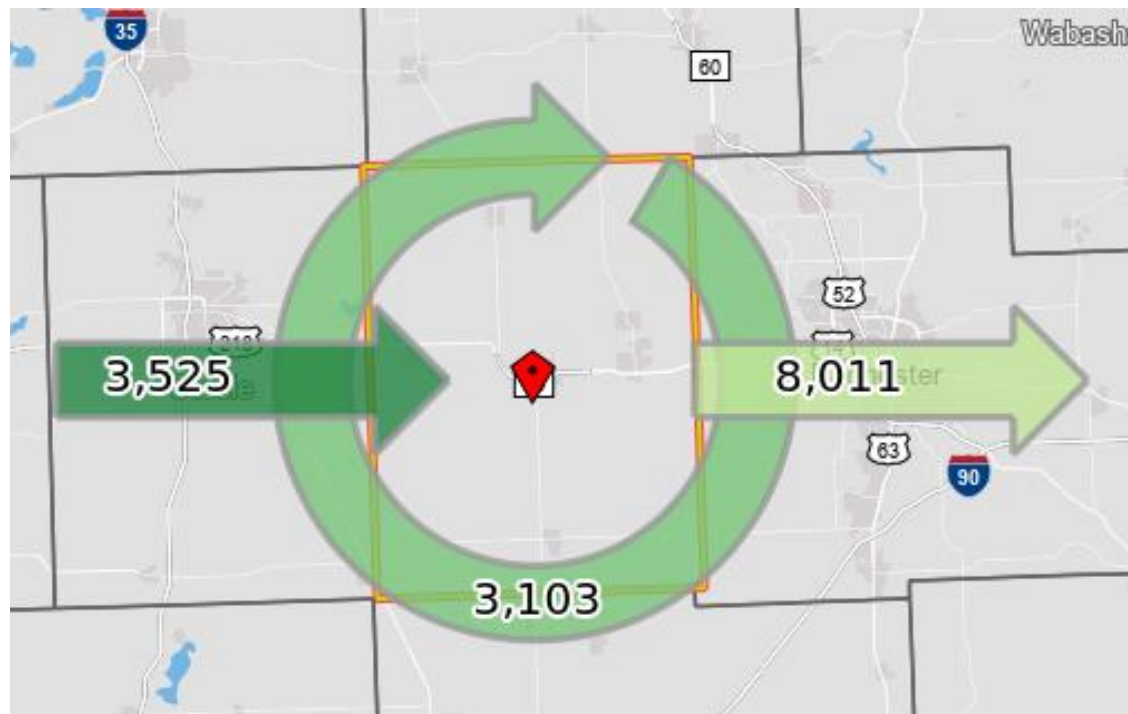
CareerForce Winona | 1250 Homer Road, Suite 200 | Winona, MN 55987

507-205-6068 | [mark.Schultz@state.mn.us](mailto:mark.Schultz@state.mn.us)

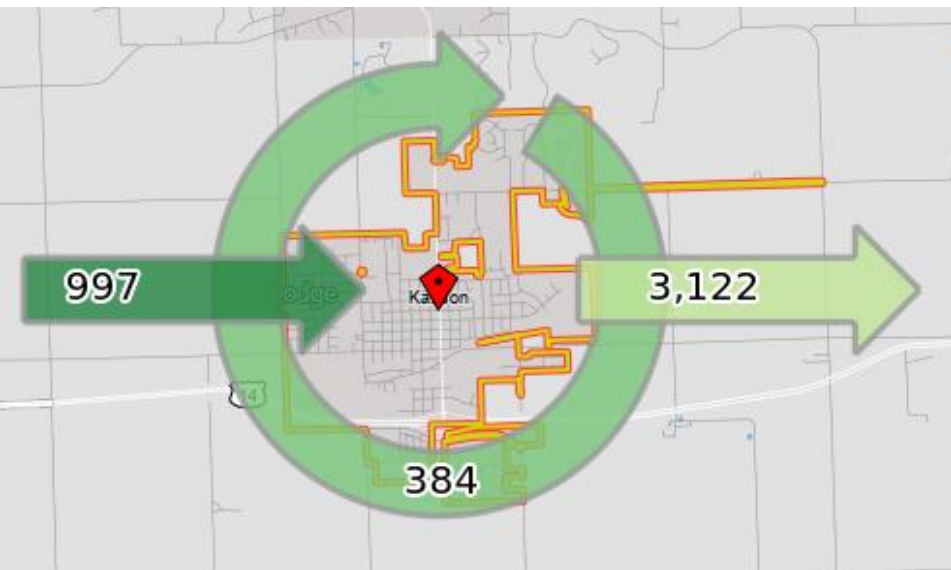
<https://mn.gov/deed/data/regional-lmi/>



# Dodge County

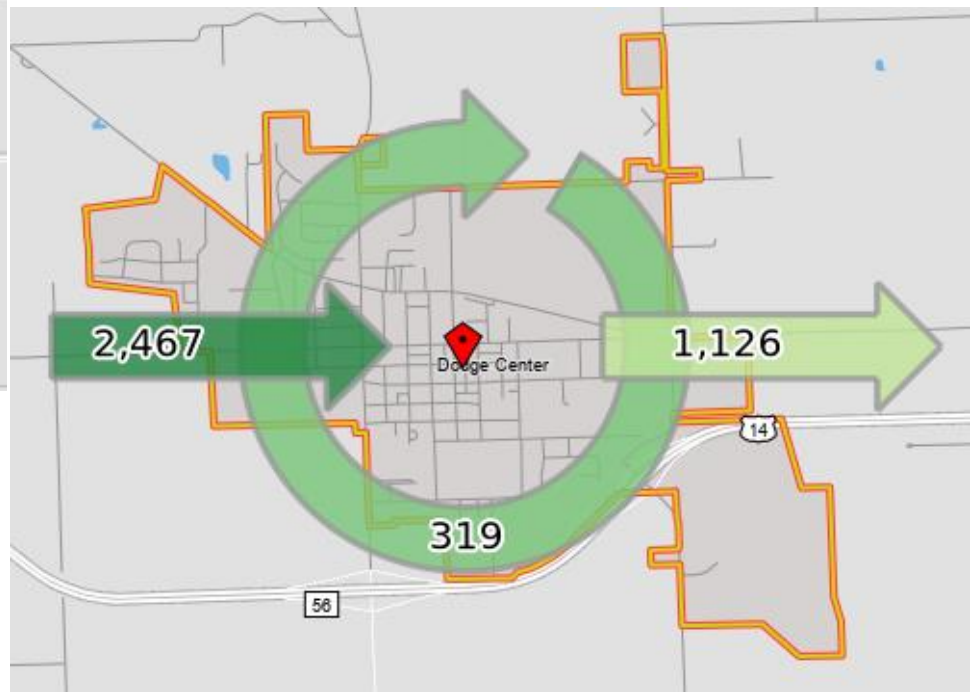


# Kasson & Dodge Center

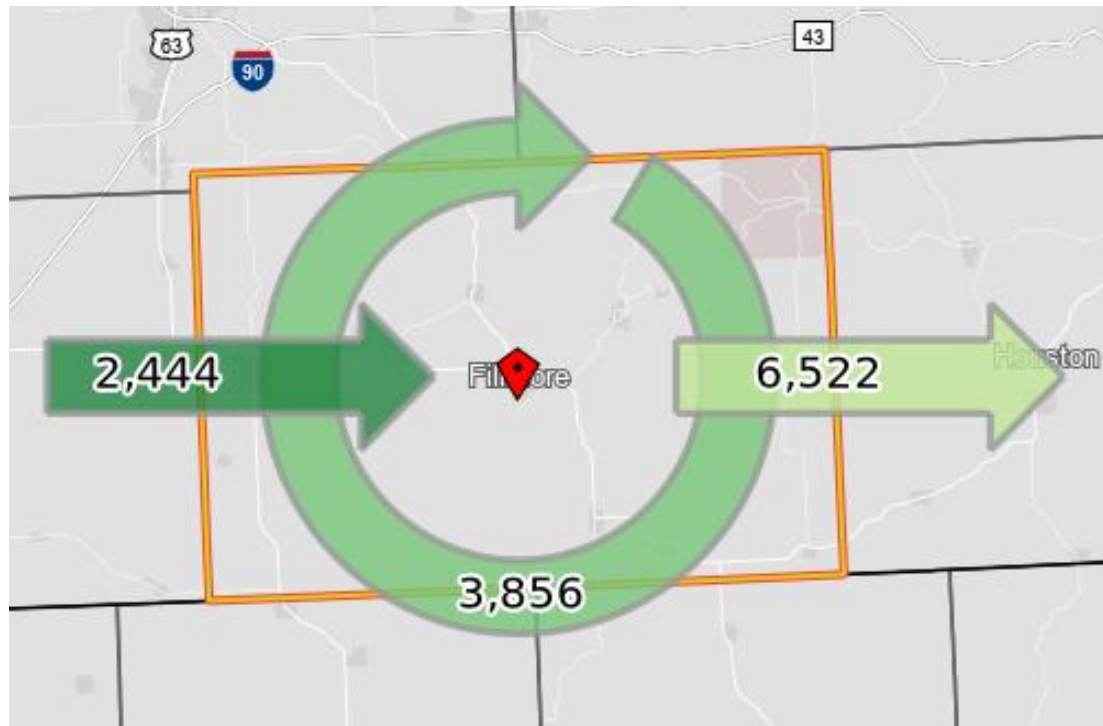


Kasson

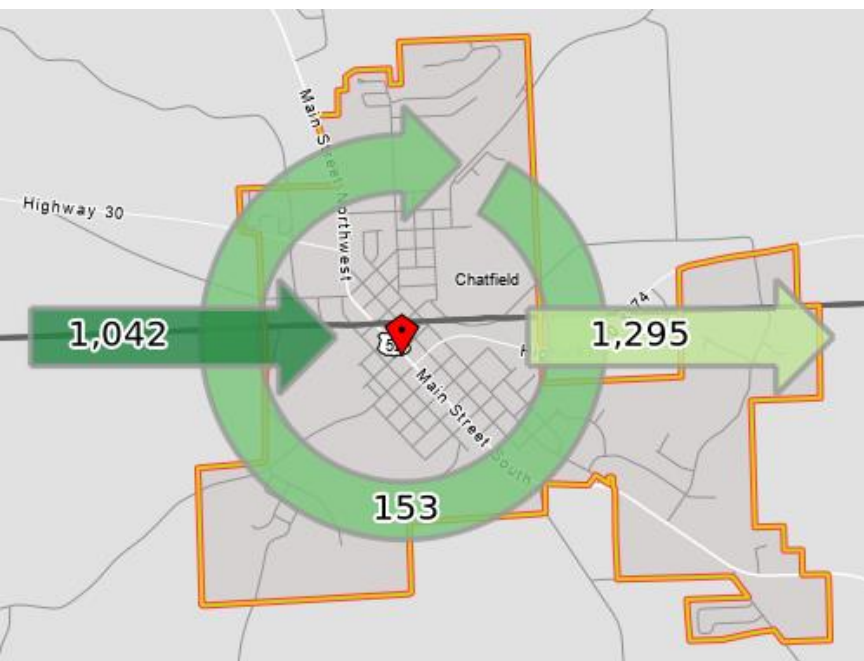
Dodge Center



# Fillmore County

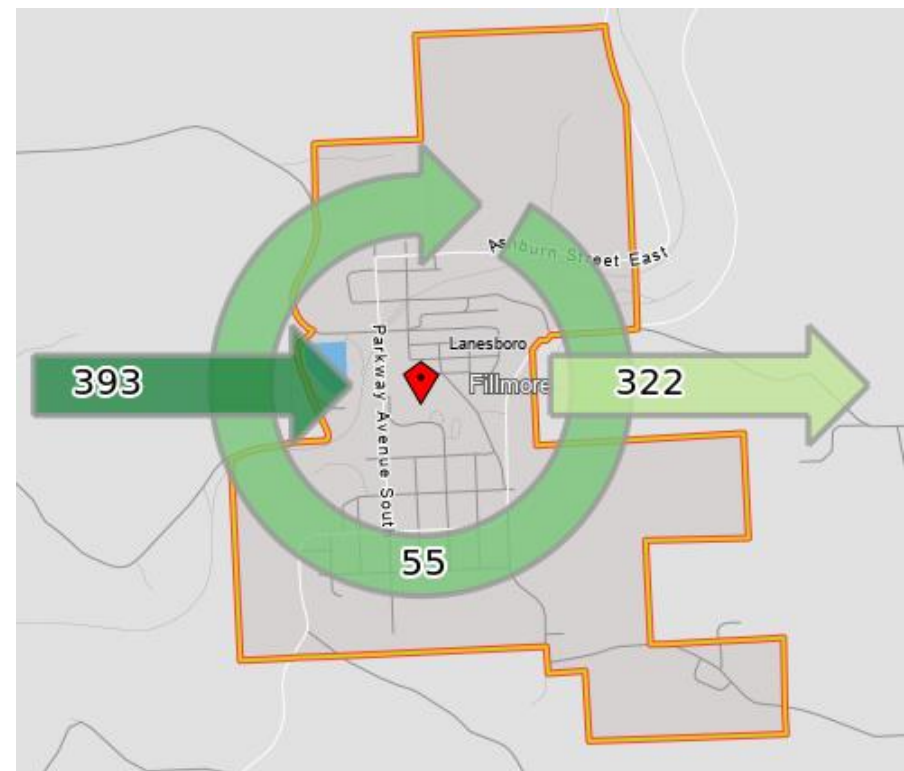


# Chatfield & Lanesboro

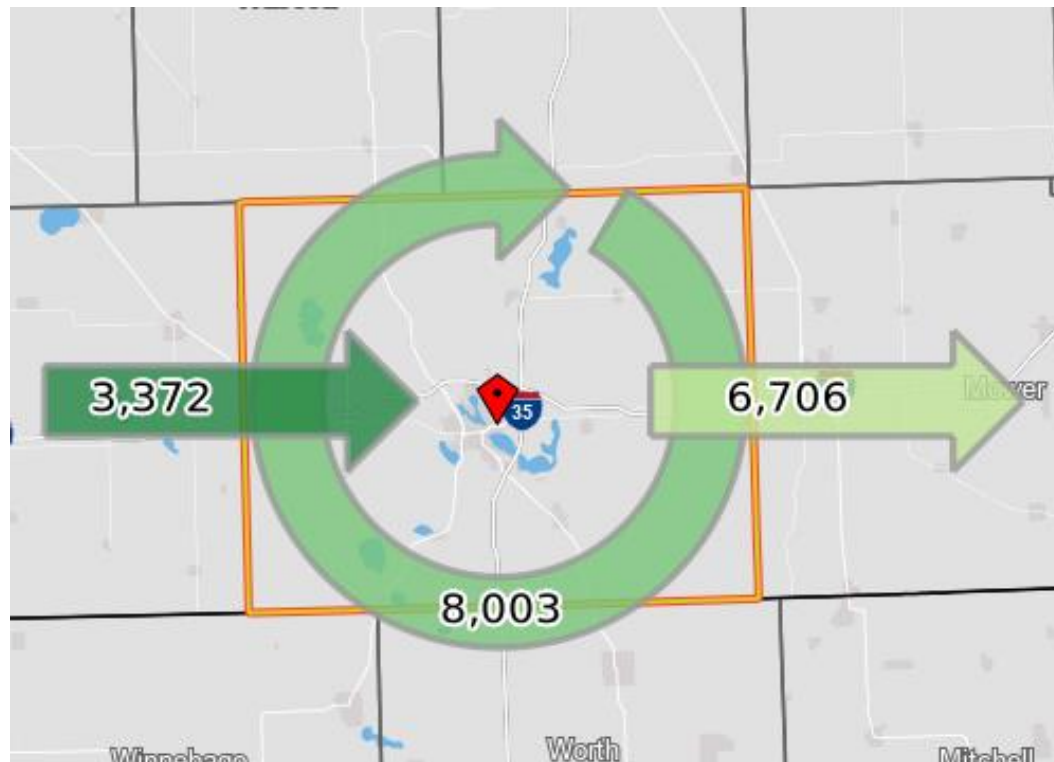


Chatfield

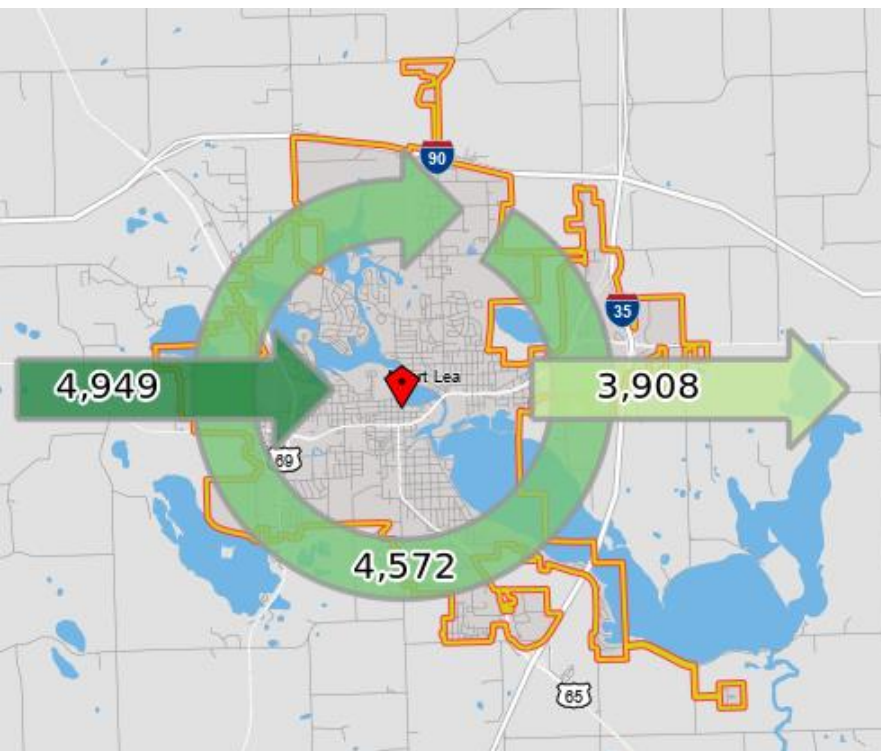
## Lanesboro



# Freeborn County

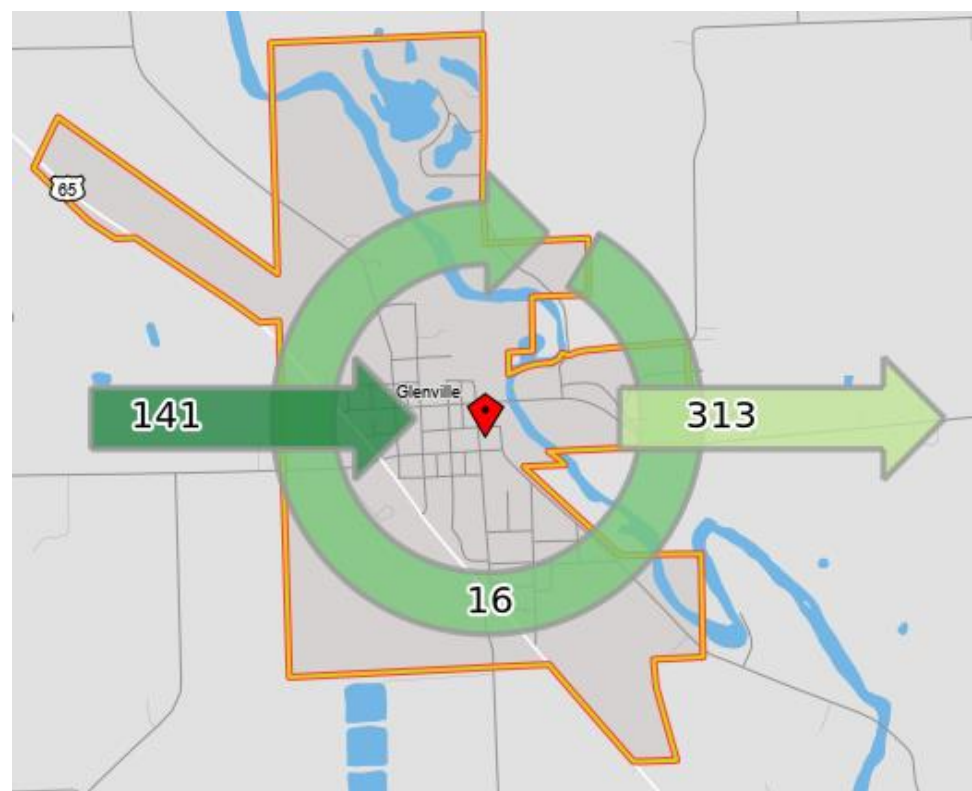


# Albert Lea & Glenville



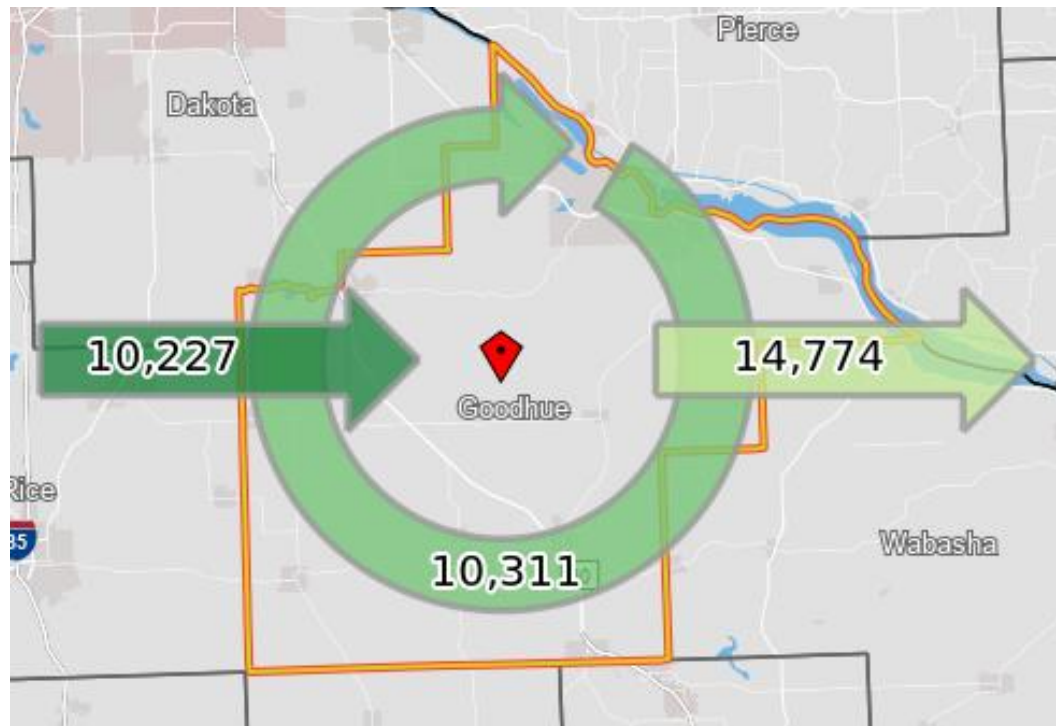
Albert Lea

Glenville

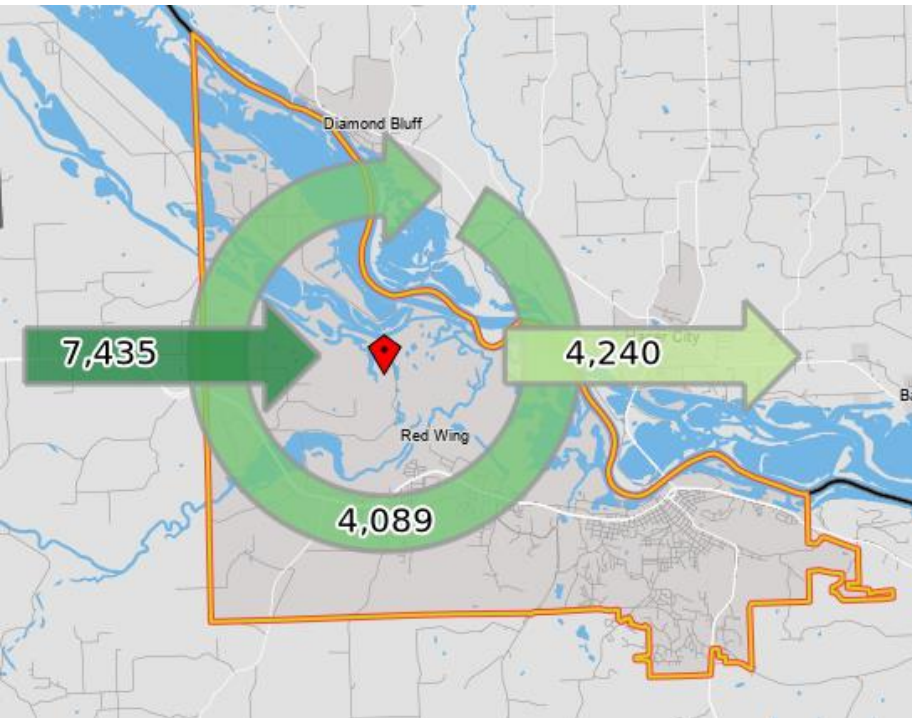




# Goodhue County

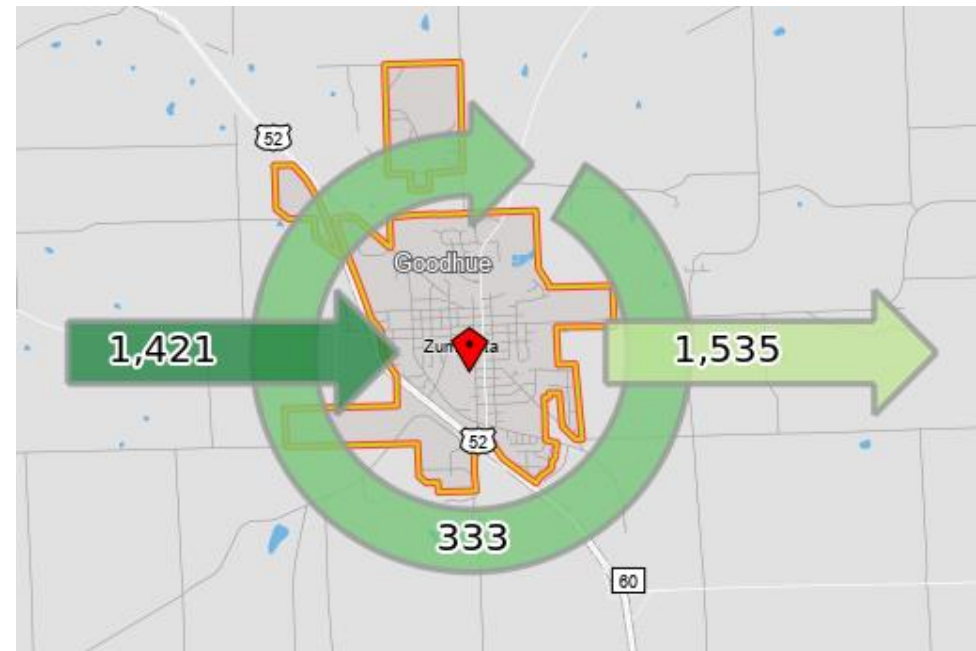


# Red Wing & Zumbrota



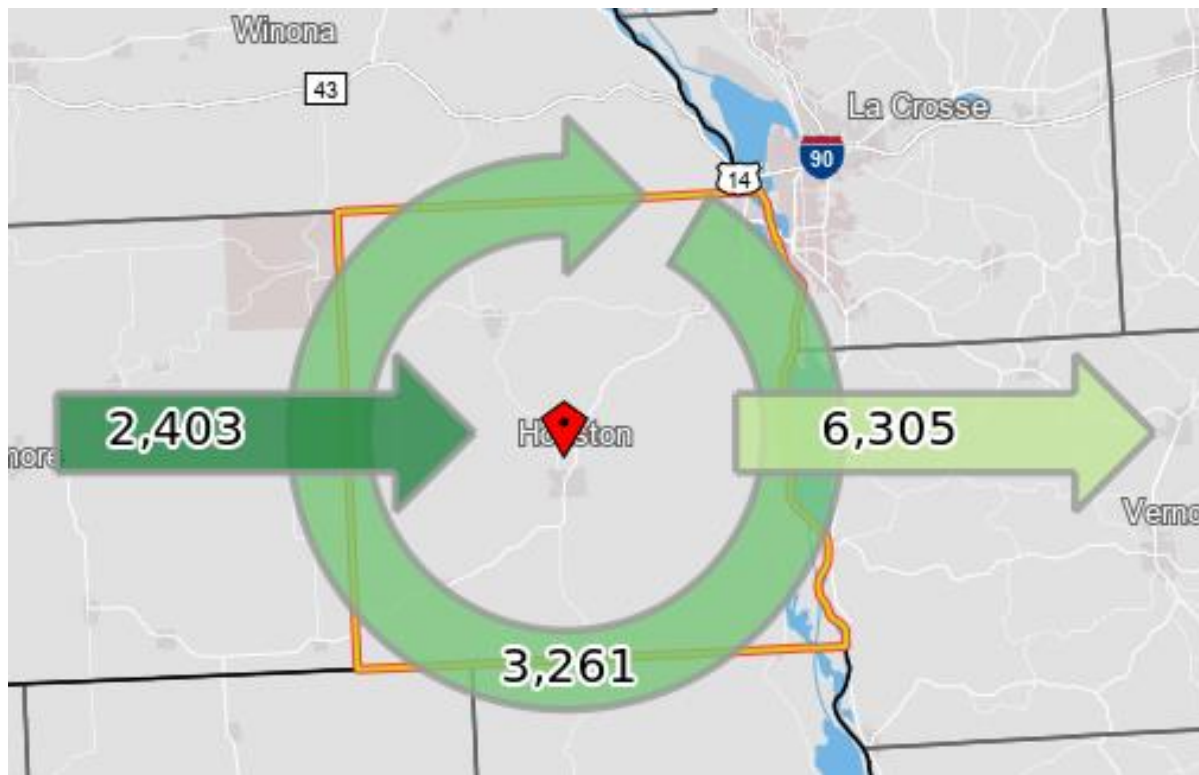
Red Wing

Zumbrota

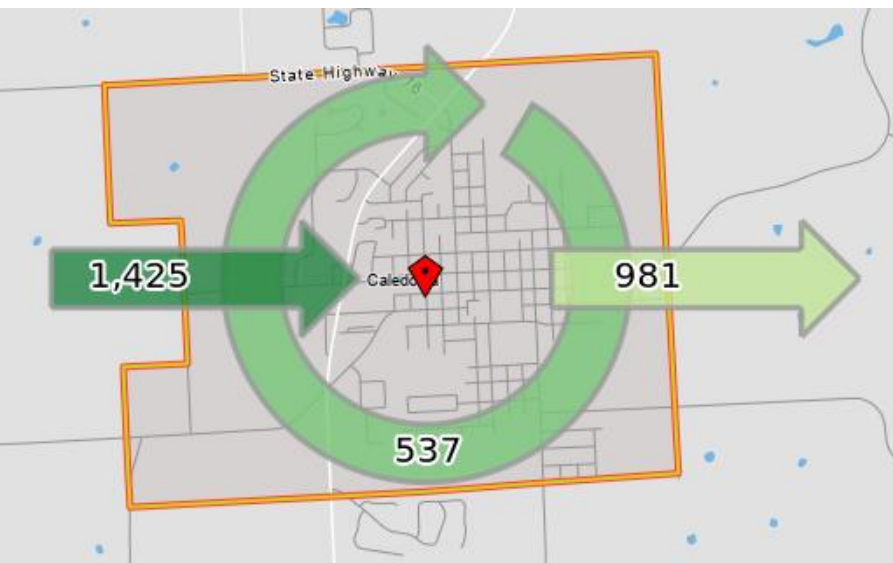




# Houston County

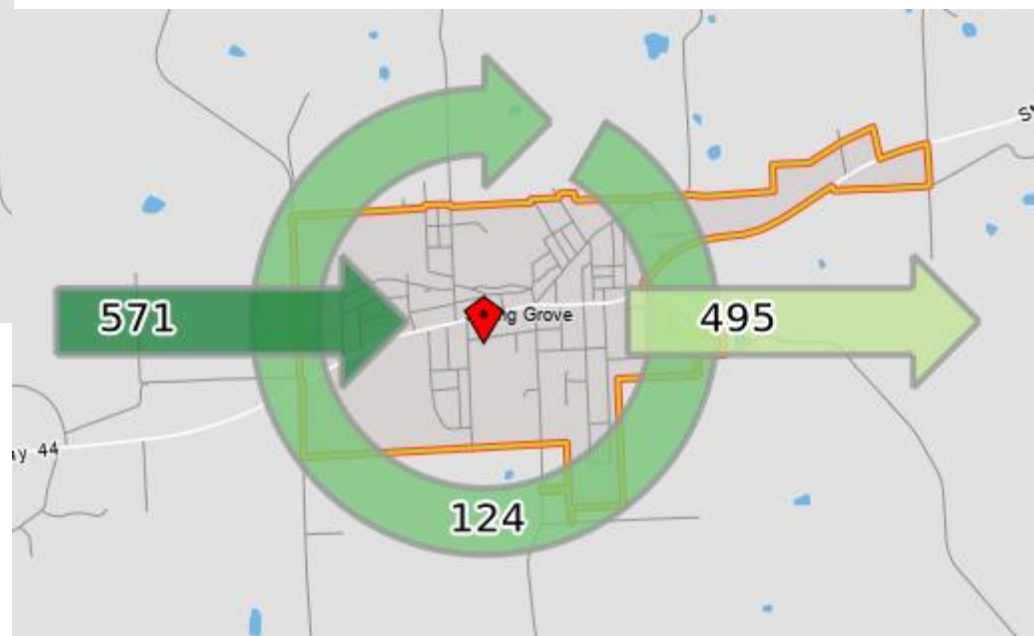


# Caledonia & Spring Grove

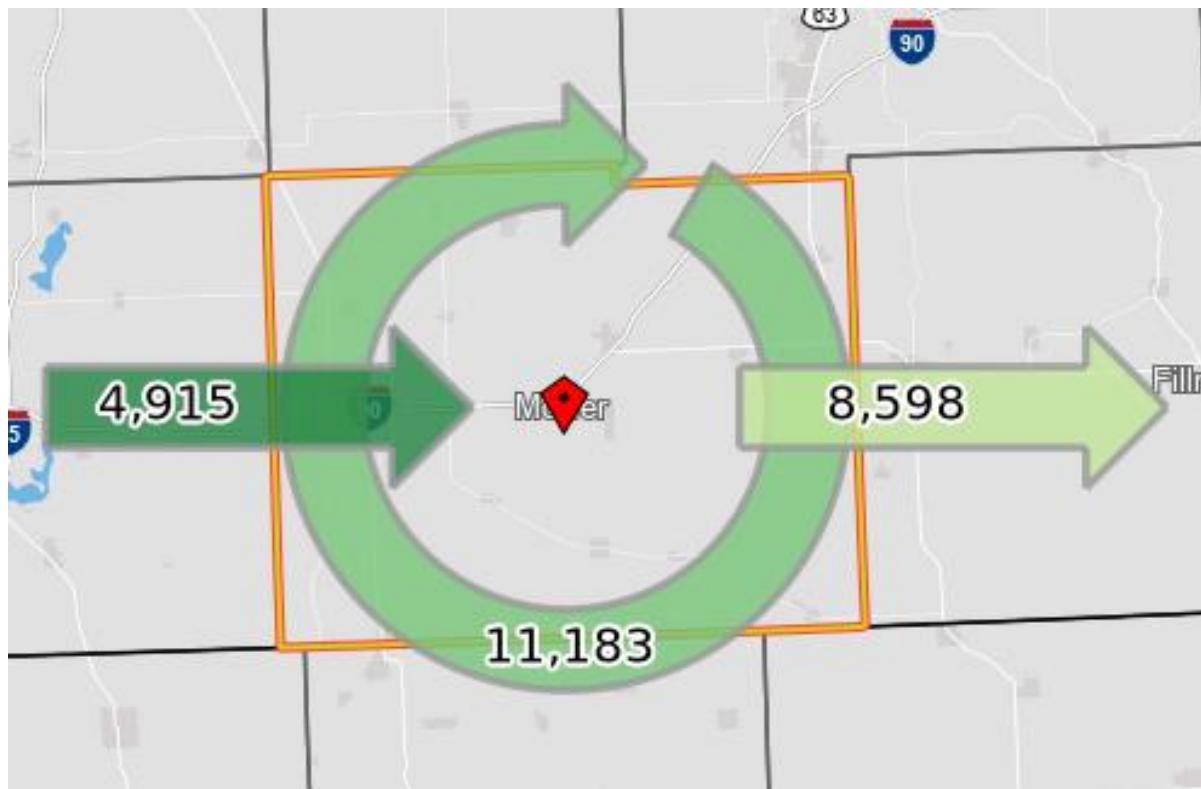


Caledonia

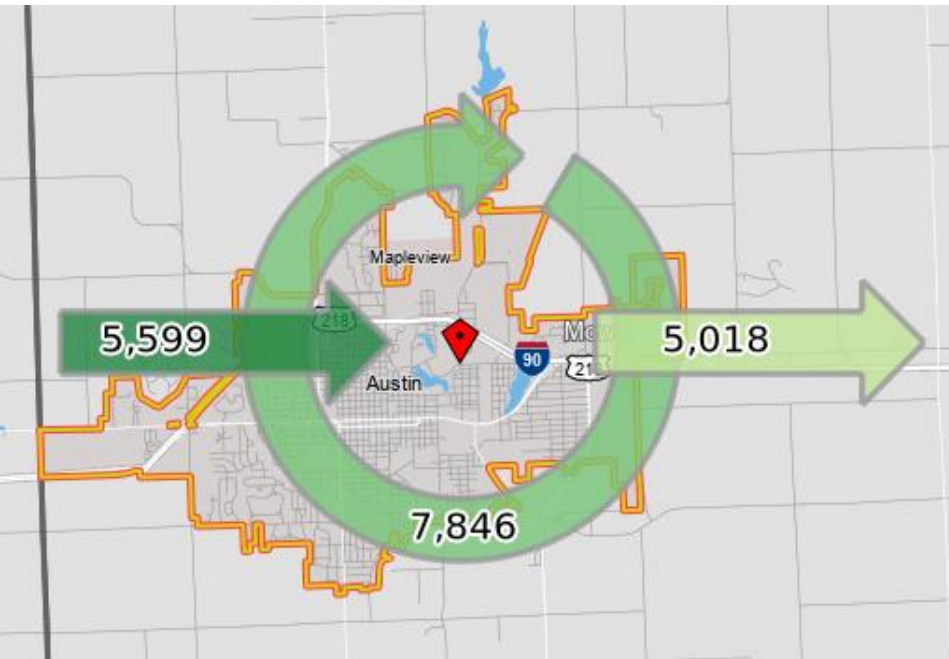
Spring Grove



# Mower County

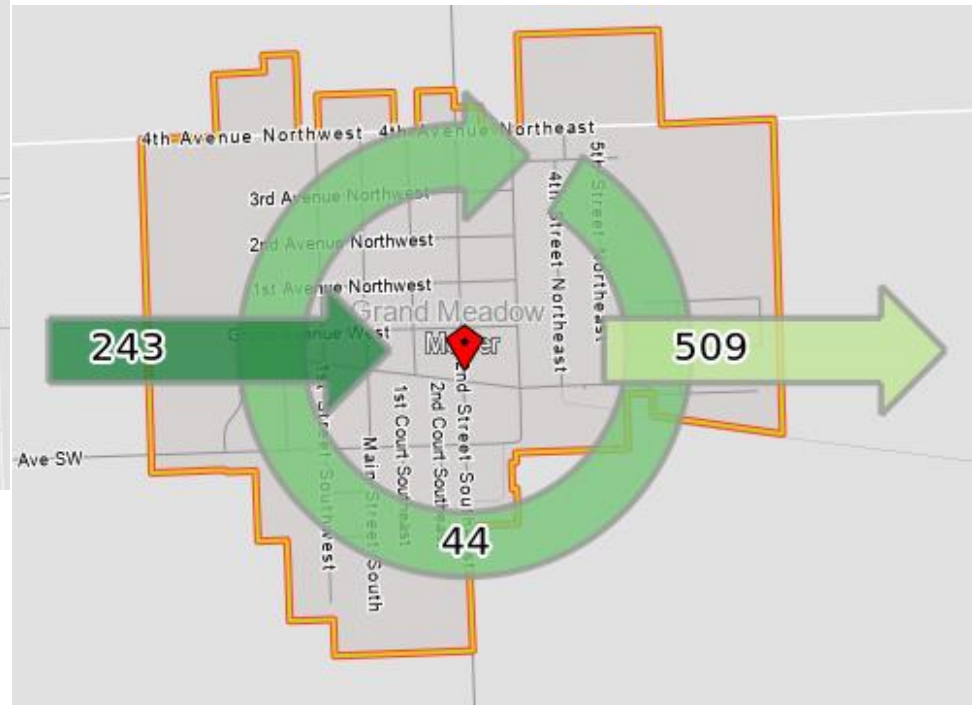


## Austin & Grand Meadow

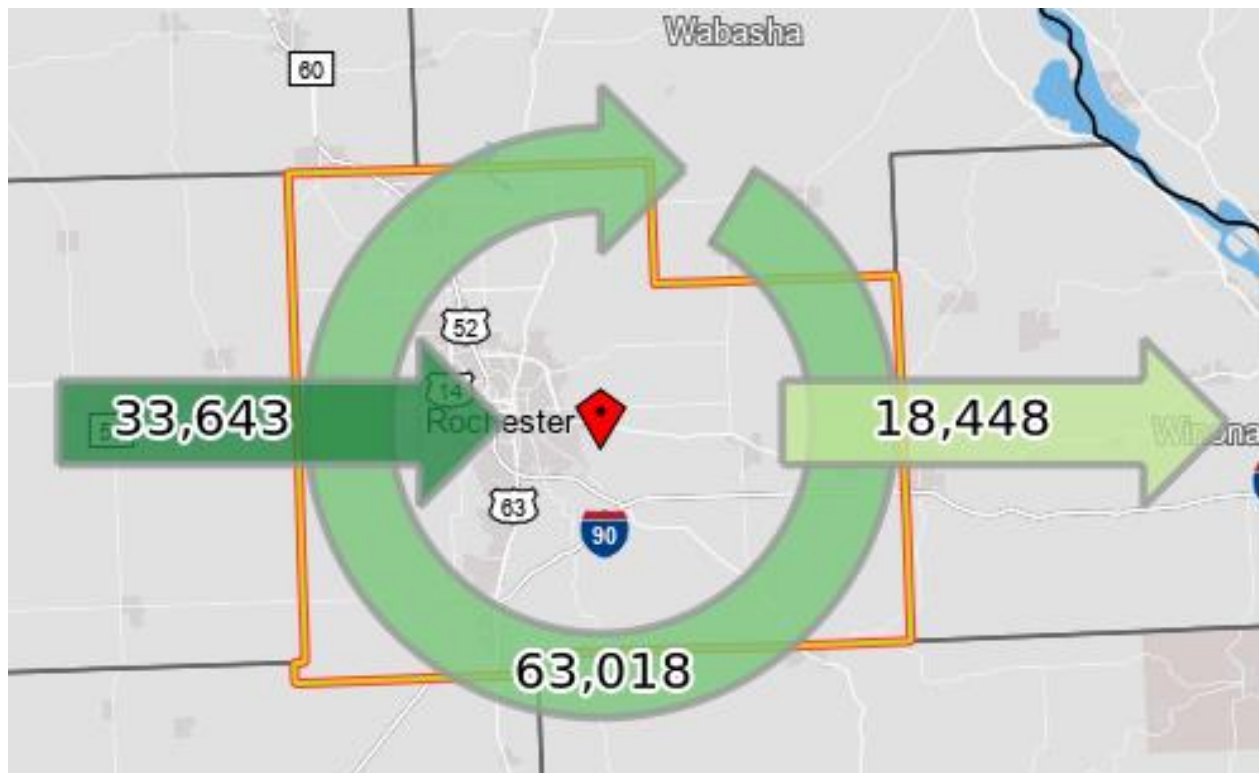


# Austin

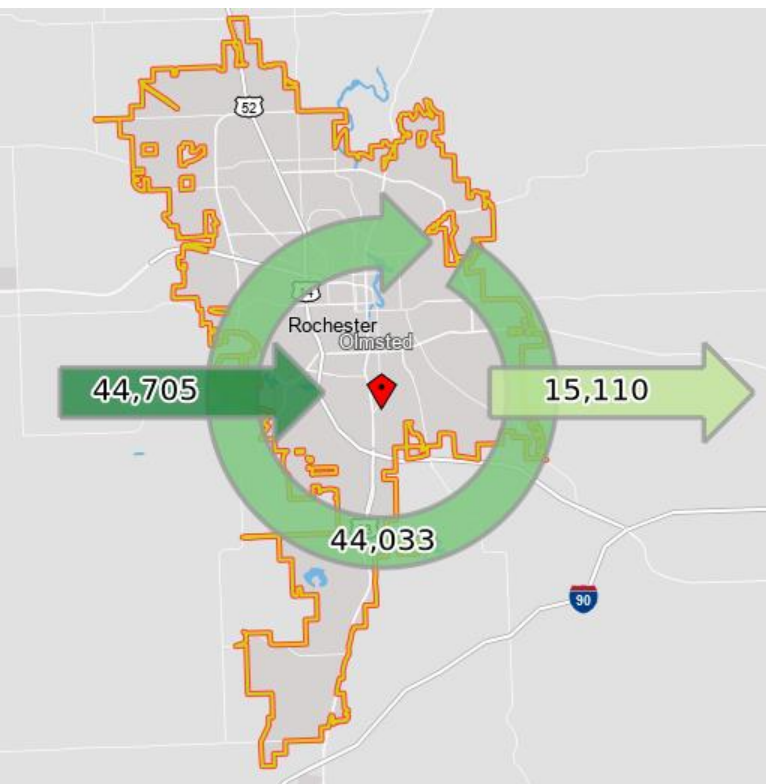
# Grand Meadow



# Olmsted County

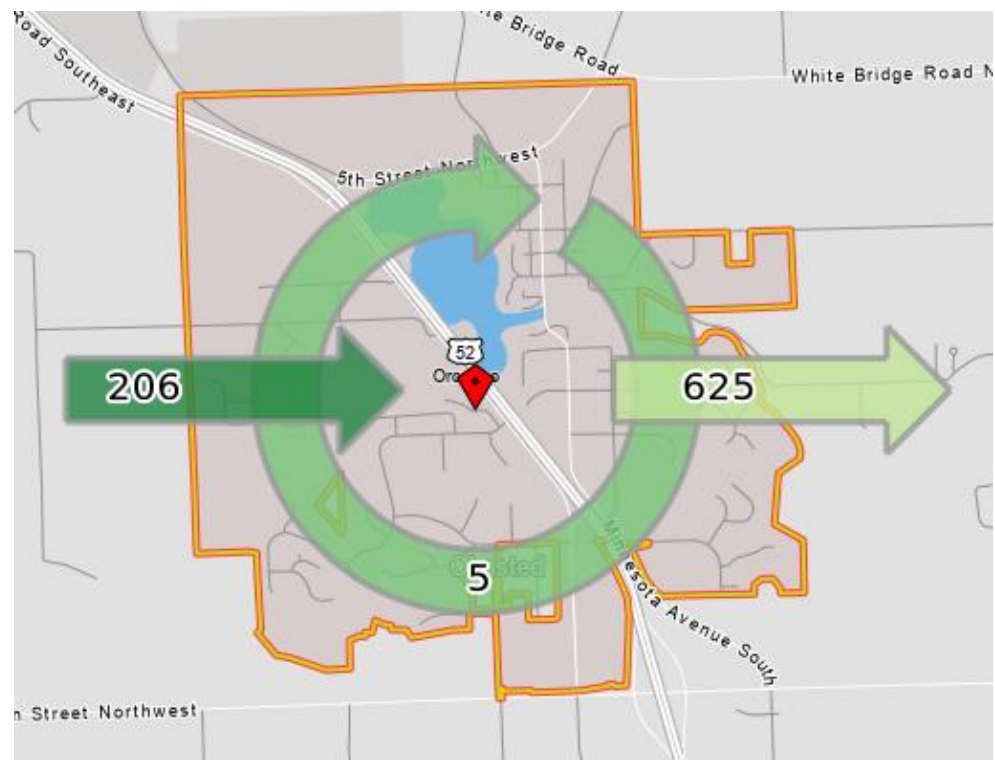


# Rochester & Oronoco



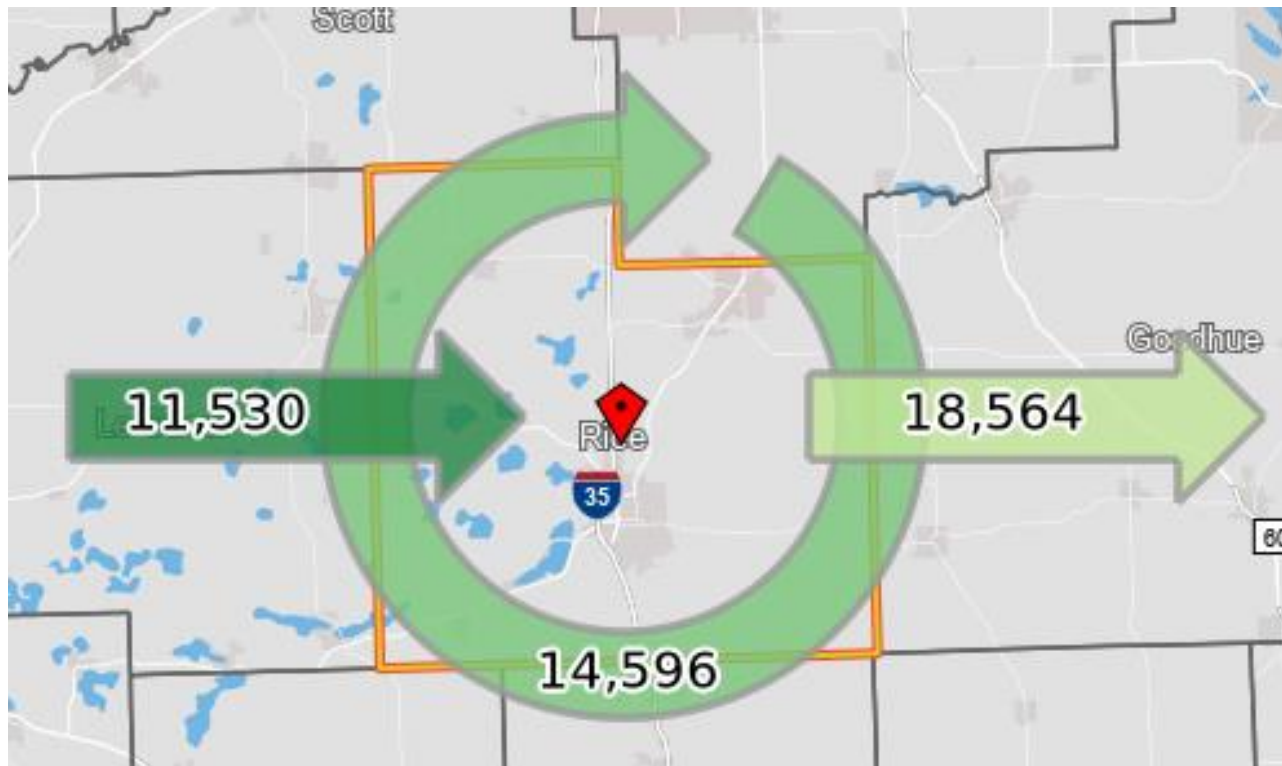
Rochester

## Oronoco

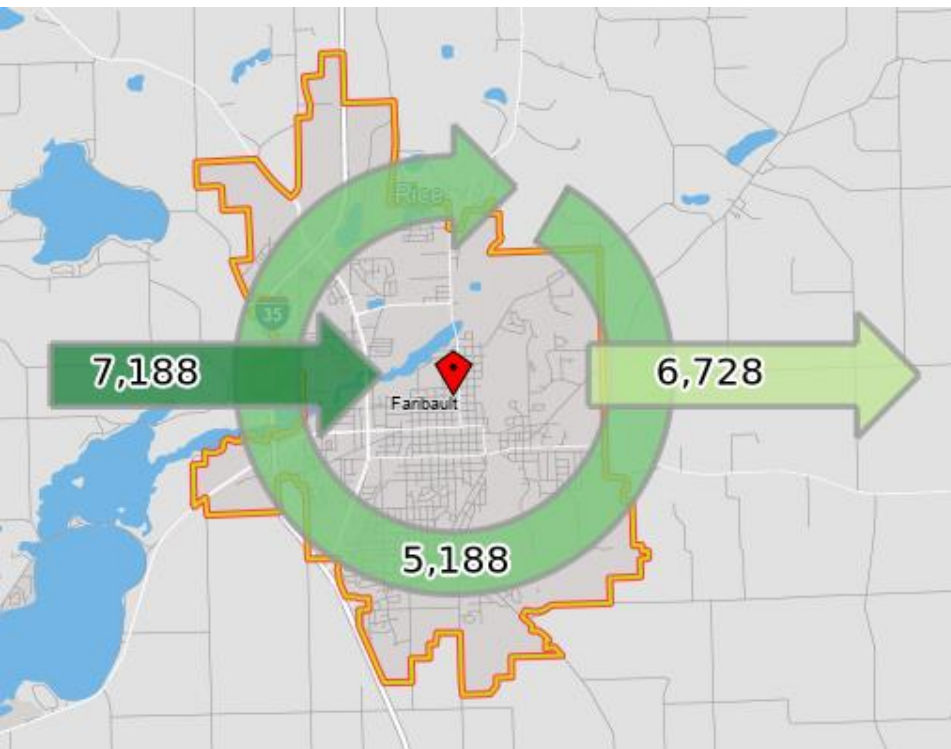




# Rice County

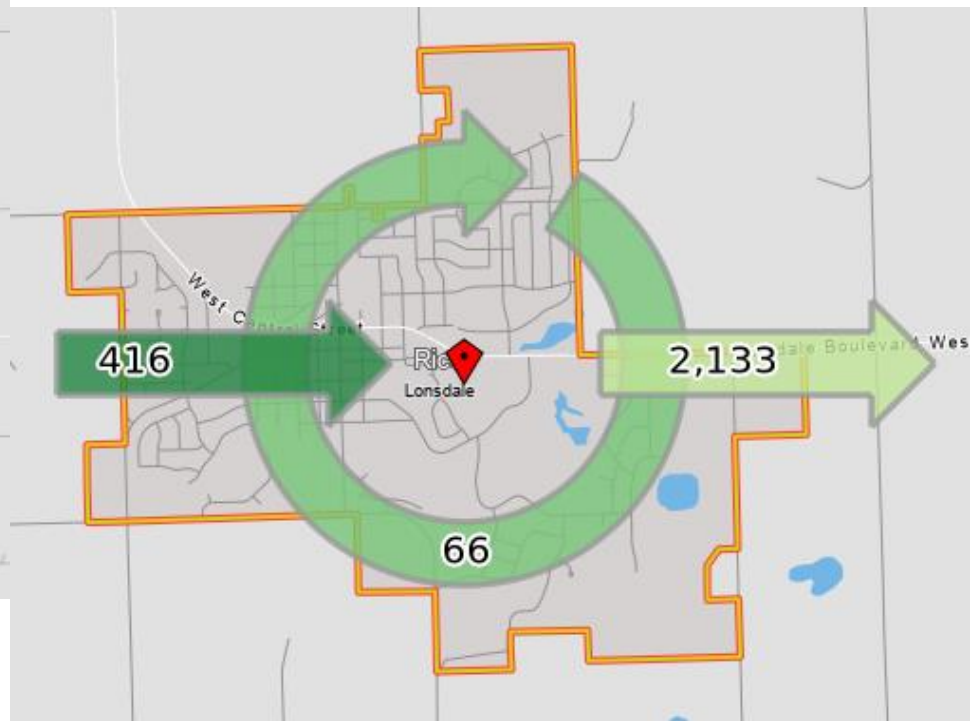


# Faribault & Lonsdale



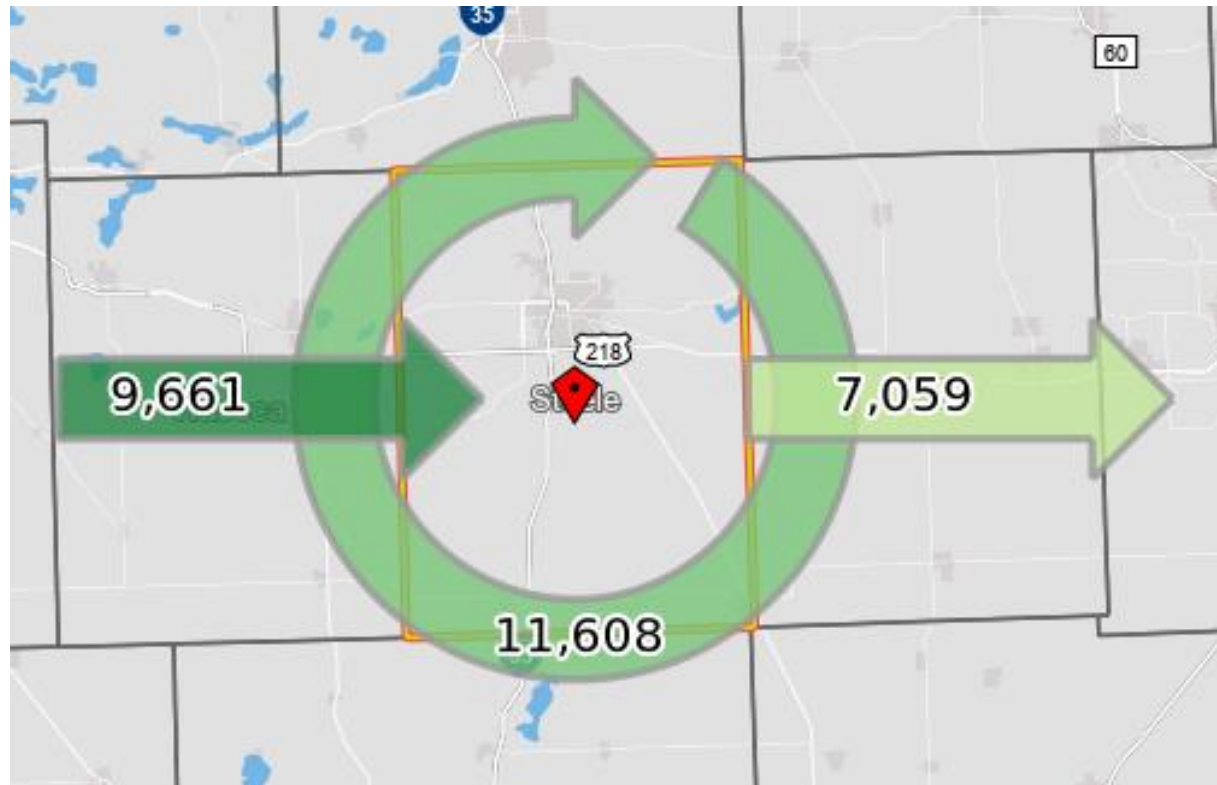
Faribault

Lonsdale

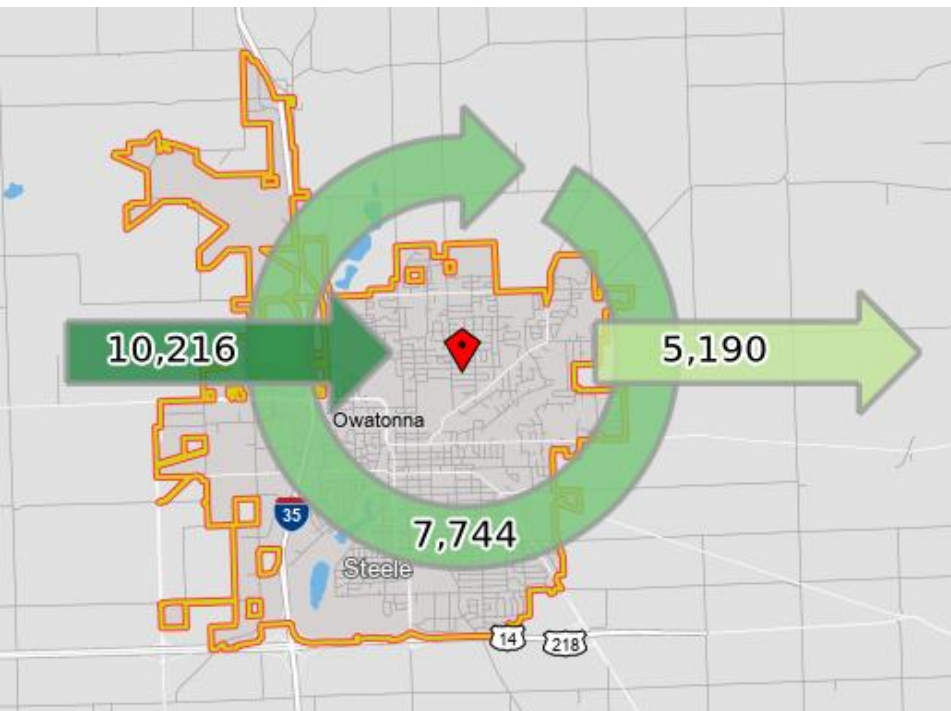




# Steele County

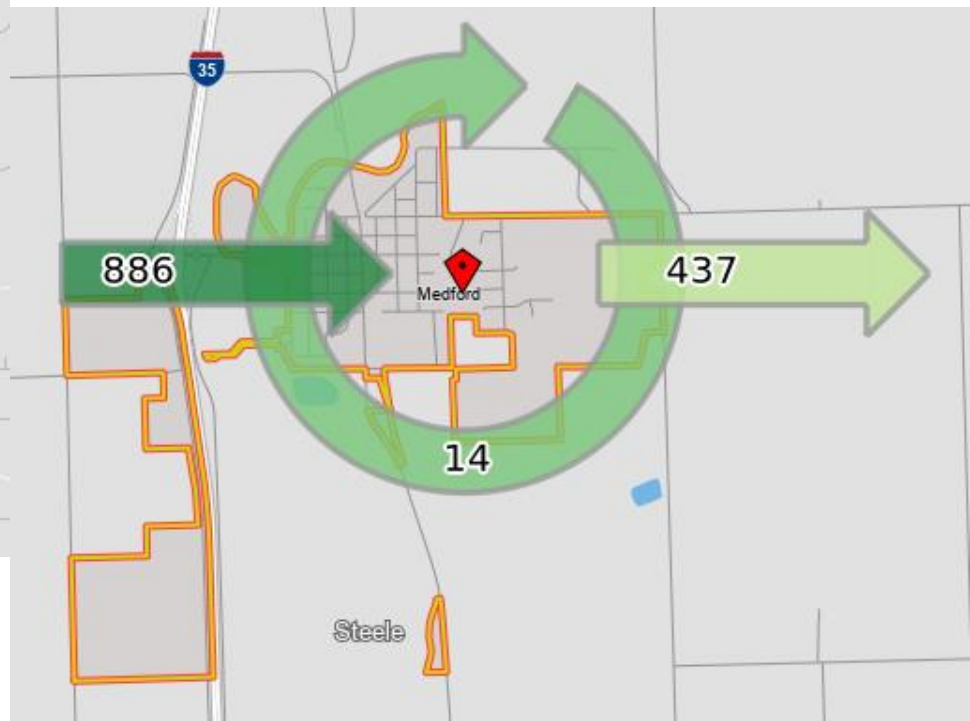


# Owatonna & Medford

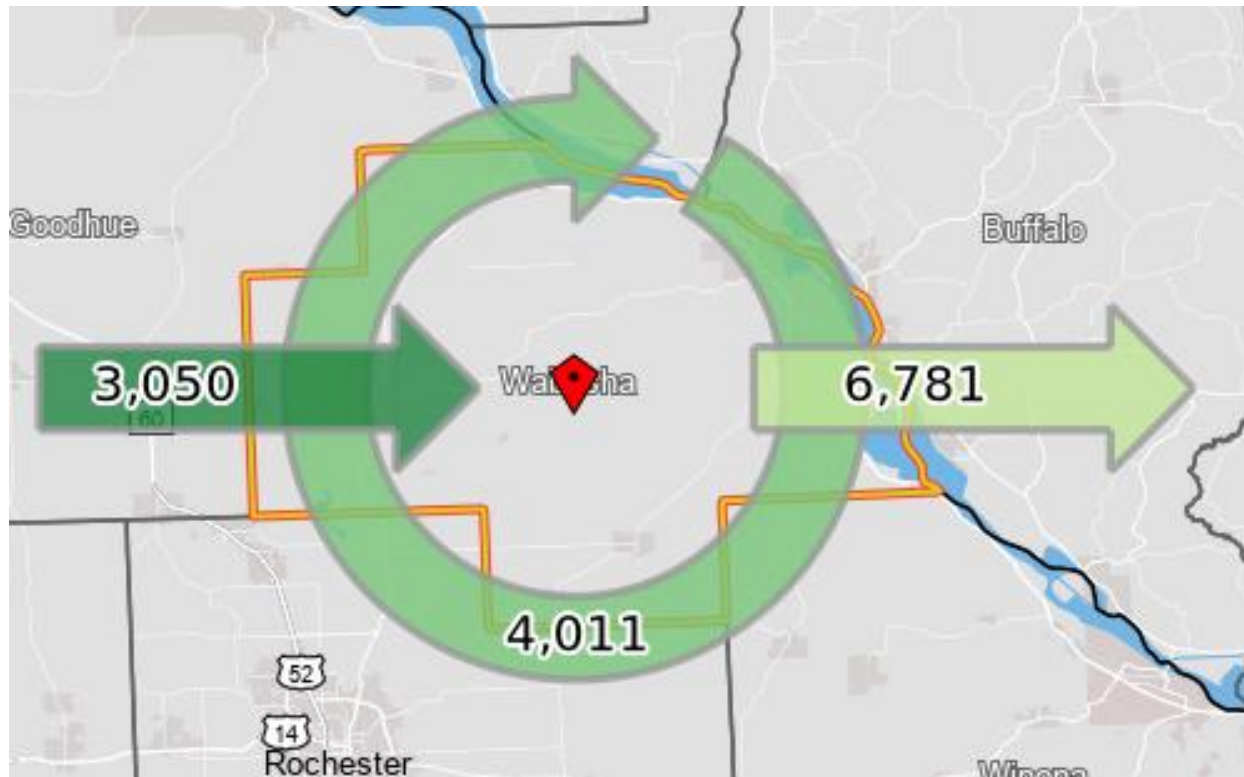


Owatonna

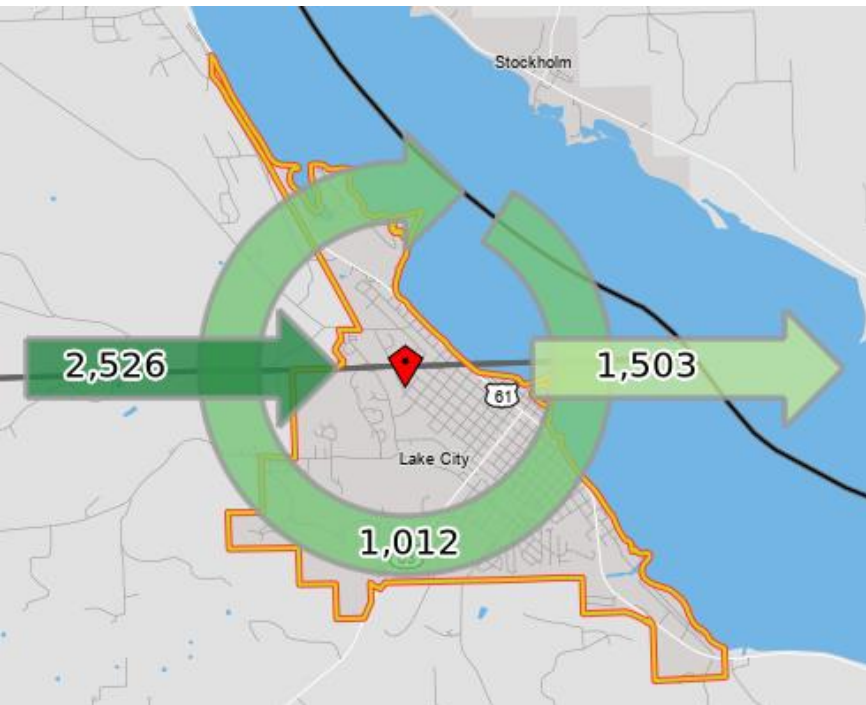
Medford



# Wabasha County

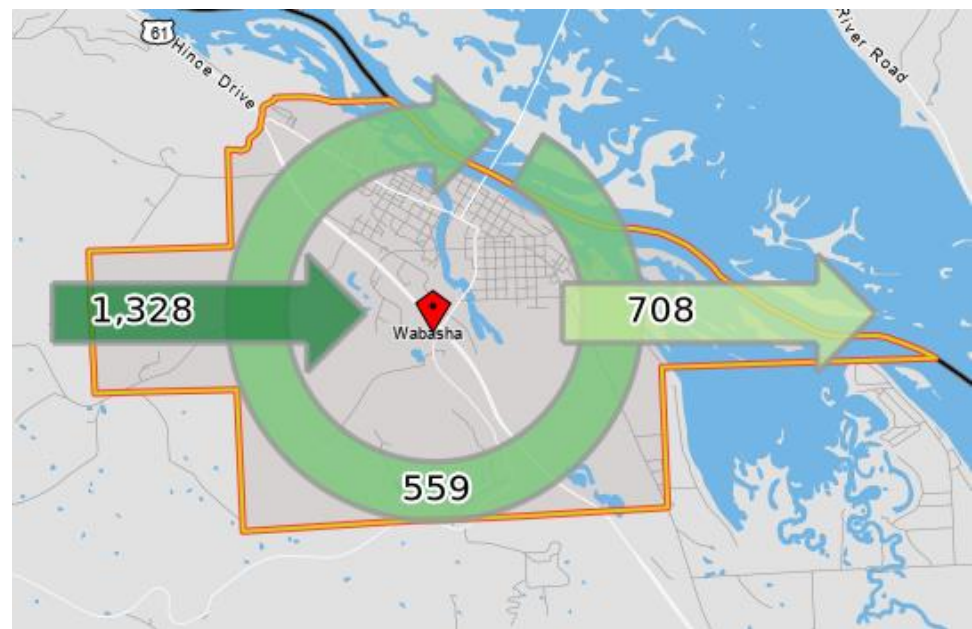


# Lake City & Wabasha

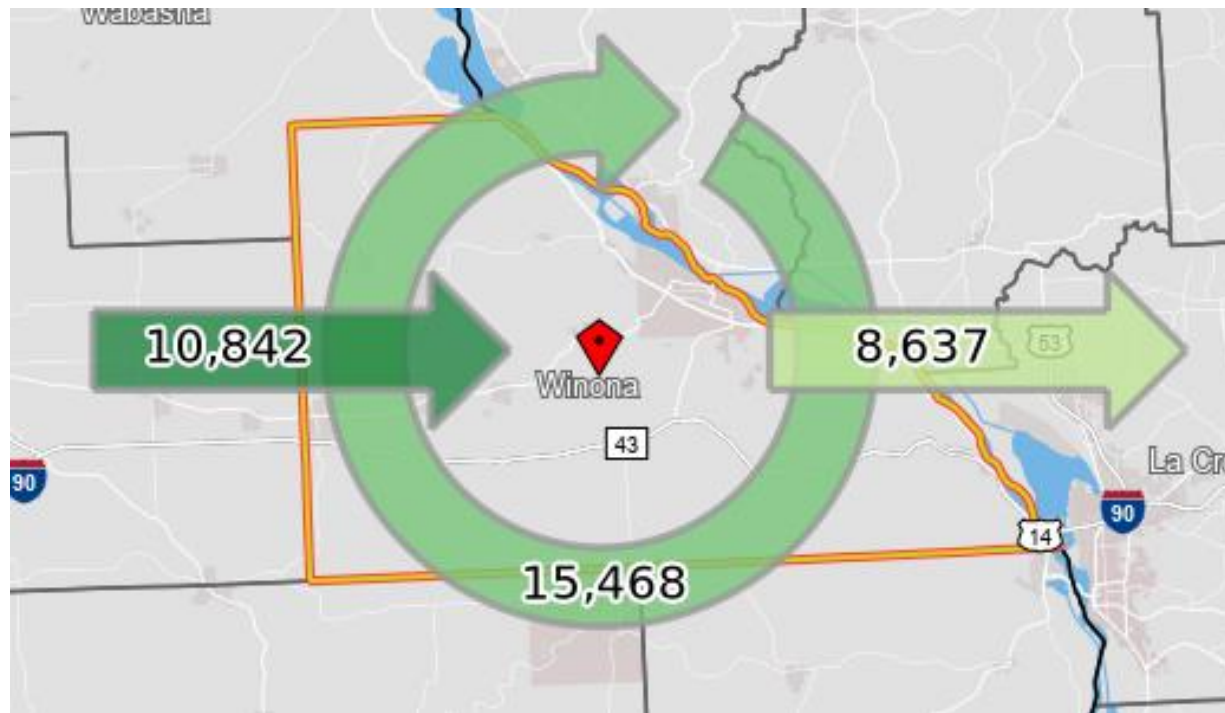


Lake City

Wabasha

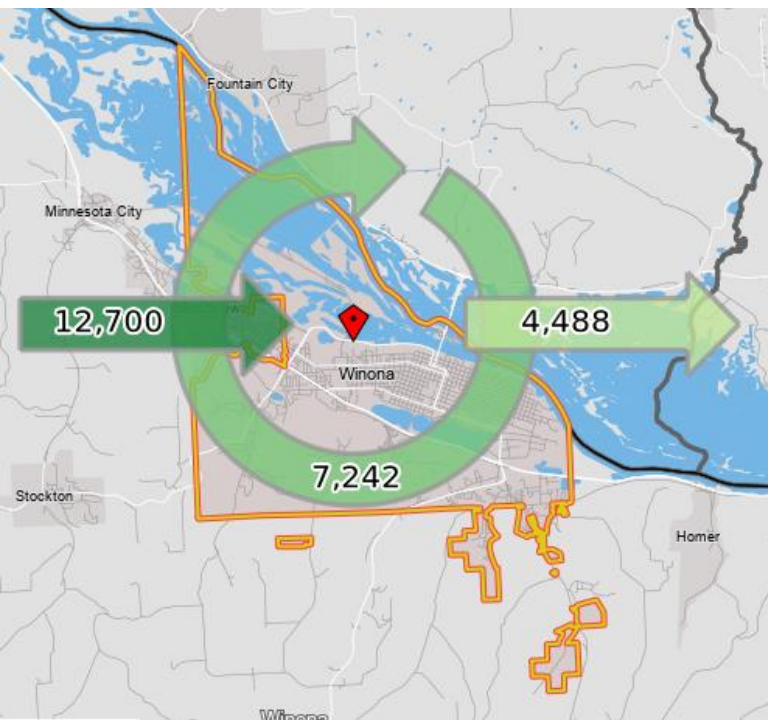


# Winona County



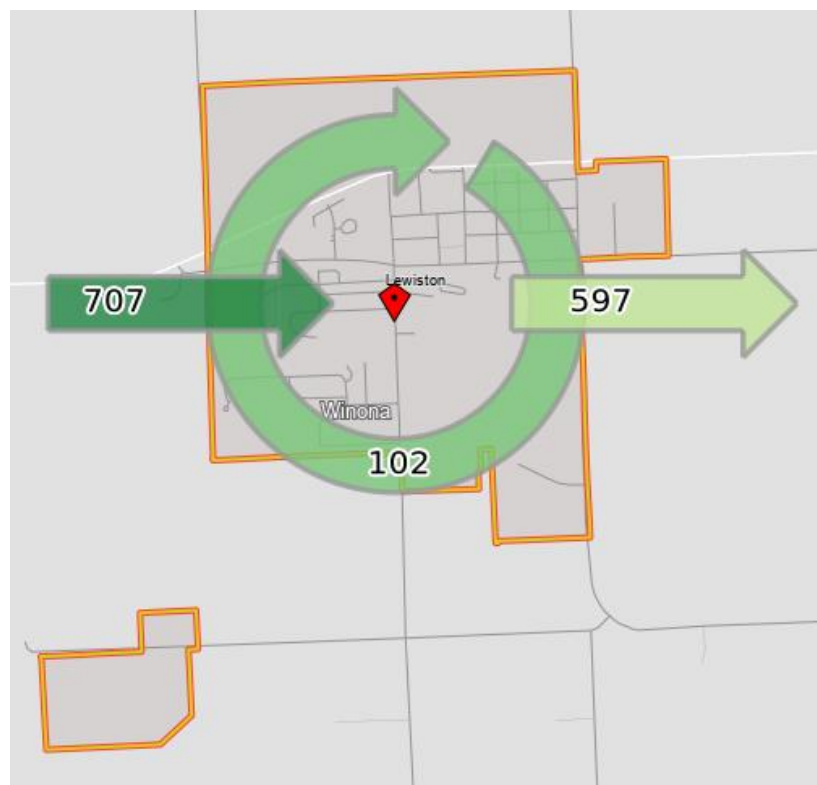


# Winona & Lewiston



Winona

## Lewiston



# 2021 Federal Stimulus Program

- Cities & Counties receiving Federal \$\$
- City-selected and County-selected projects to improve our economy
- **Request to allocate small percentage of funds** to organize and set up Regional Transportation System which benefits the entire SE MN Region
- This is a **Legacy Project** to Build Back Better for all of SE Minnesota

# SOLVING SE MINNESOTA REGIONAL TRANSPORTATION

- FUNDING
  - \$2.50/capita for organizational set up
  - Anticipate available sustainable funding through Federal sources for operations
- WHO LEADS?
  - Entity or Agency to lead the process?
- WHAT'S NEXT?
  - Communicate with your City Council & your County Boards



For additional details, or background for your discussions:

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Regional Transportation Planning  
[bcarlson@sehinc.com](mailto:bcarlson@sehinc.com)**

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**507-272-2797**

