

RESOLUTION NO.: 2022-38

FIRST READING April 25, 2022

SECOND READING Waived

INTRODUCED BY: DENNIS GALICKI

THIRD READING Waived

**A RESOLUTION ADOPTING THE STANDARD ALLOWANCE PROVISION AND ITS PRESUMPTION OF REVENUE LOSS DUE TO THE PUBLIC HEALTH EMERGENCY, TO USE THE AMOUNT AUTHORIZED TO FUND GOVERNMENT SERVICES, AND DECLARING AN EMERGENCY.**

**WHEREAS**, the Village of South Russell has received a distribution of monies (the “ARPA Funds”) from the American Rescue Plan Act of 2021 (“ARPA” or the “Act”); and

**WHEREAS**, Congress passed the Act effective March 11, 2021; and

**WHEREAS**, Section 603 created the Coronavirus Local Fiscal Recovery Fund which, among other things, appropriated money to cities, nonentitlement units of local government, and counties to mitigate the fiscal effects stemming from the public health emergency with respect to the Coronavirus Disease (Covid-19); and

**WHEREAS**, Section 603(c) generally provides that:

(1) USE OF FUNDS. Subject to paragraph (2), and except as provided in paragraphs (3) and (4), a metropolitan city, nonentitlement unit of local government, or county shall only use the funds provided under a payment made under this section to cover costs incurred by the metropolitan city, nonentitlement unit of local government, or county, by December 31, 2024 -

(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19) 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 of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

(C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or

(D) to make necessary investments in water, sewer, or broadband infrastructure.

**WHEREAS**, Department of Treasury Final Rule, published by the Federal Register on January 27, 2022, at Vol. 87, No. 18, 4438 – 4454, and effective April 1, 2022, provides in part that:

Treasury is including an option for recipients to use a standard allowance for revenue loss. Specifically, in the final rule, recipients will be permitted to elect a fixed amount of loss that can then be used to fund government services. This fixed amount, referred to as the “standard allowance,” is set at up to \$10 million total for the entire period of performance not to exceed the recipient’s SLFRF award amount.

**WHEREAS**, the Rule further observes based on extensive analysis by the Treasury that:

The \$10 million level is based on average revenue loss across state and local governments, taking into consideration potential variation in revenue types and losses and continued uncertainty faced by many recipients regarding revenue shortfalls.

**WHEREAS**, the Rule further clarifies that recipients can use SLFRF funds on government services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated using the formula set forth in the Rule. Government services generally include any service traditionally provided by a government, unless treasury has stated otherwise.

**WHEREAS**, some common examples of “government services” identified by Treasury in the Rule and in the “Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule” (hereinafter “the SLFRF Overview of Final Rule”) are as follows:

- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff, and administrative facilities
- School or educational services
- Construction of schools and hospitals
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)
- Maintenance or pay-go funded building infrastructure
- Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;

**WHEREAS**, the Treasury has recognized in the SLFRF Overview of Final Rule “Government services generally include any service traditionally provided by a government, unless Treasury has stated otherwise” and that “Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements”; and

**WHEREAS**, the SLFRF Overview of the Final Rule further states that funds utilized pursuant to the standard revenue loss allowance continue to have certain restrictions, including generally prohibiting:


- Offsetting a reduction in net tax revenue
- Deposit into pension funds
- Debt service or replenishing financial reserves
- Satisfaction of settlements or judgments
- Contributions to financial reserves or “rainy day” funds
- Use for projects that conflicts with or contravenes the American Rescue Plan Act
- Use in violation of Terms and Conditions of the award or conflict of interest requirements under the Uniform Guidance
- Use of funds in violation of other applicable laws and regulations or outside of SLRF program requirements.

**NOW THEREFORE**, it is hereby **RESOLVED** by Council of the Village of South Russell that:

SECTION 1. The Village hereby elects to use the standard allowance and its presumption of revenue loss due to the public health emergency and to use the amount authorized herein to fund government services.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees on or after December 2, 1975, that resulted in formal actions, were in meetings open to the public in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

SECTION 3. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety, and welfare and for the further reason that this Resolution must be immediately effective due to the immediate reporting period ending April 30, 2022; wherefore, provided it receives the affirmative vote of at least two-thirds (2/3) of all members elected to Council, this Ordinance shall be in full force and effect immediately upon its passage.

  
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Mayor - President of Council

ATTEST:

Fiscal Officer

I certify that Resolution No. 2022 - 38 was duly enacted on the 25th day of April, 2022, by the Council of the Village of South Russell, and posted in accordance with the Codified Ordinances of the Village.

  
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Fiscal Officer