

ORDINANCE 2022 – 39

ELECTING THE USE OF THE STANDARD ALLOWANCE FOR LOSS REVENUE FOR THE FUNDS RECEIVED UNDER THE AMERICAN RESCUE PLAN ACT AND UTILIZE THE FUNDS FOR THE CITY ANNUAL STREET MAINTENANCE PROGRAM

WHEREAS, Congress passed American Rescue Plan Act of 2021 (“ARPA”) and was Effective March 11, 2021; and

WHEREAS, ARPA Section 603 created the Coronavirus State and Local Fiscal Recovery Fund (“SLFRF”) 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 (Covid-19); and

WHEREAS, the City of Mason has received an initial distribution of ARPA funds in 2021 and will receive a final distribution of ARPA funds in 2022; and

WHEREAS, ARPA 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 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.; and

WHEREAS, Department of Treasury Final Rule, published on January 6, 2022, and effective April 1, 2022 (the “Rule”), provides in part that:

Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.” (The “standard allowance”); and

WHEREAS, the Rule further observes that: The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss particularly for Coronavirus State and Local Fiscal

Recovery Fund’s smallest recipients. This change is intended to promote administrative efficiency and simply revenue loss calculation for smaller recipients.; and

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 [Final Rule four-step process]. Government services generally include any service traditionally provided by a government, unless treasury has stated otherwise.; and

WHEREAS, “Government services is [deemed by Treasury] the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements;”; and

WHEREAS, some common examples of “government services” expressly recognized by Treasury include building and maintenance of roads and other infrastructure; and

WHEREAS, Mason City Council has identified the “Annual Street Maintenance Program” as a project which, in the judgment of Council, qualifies as a permitted use of the ARPA Funds, in direct support of governmental services; and

NOW THEREFORE BE IT ORDAINED, by the Council of the City of Mason, Ohio, five members elected thereto concurring:

Section 1. The City of Mason 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. The Project, Annual Street Maintenance Program, to be authorized in 2022, 2023 and 2024 is deemed a priority for the community, may be paid from ARPA funds received, and serves the objectives of ARPA by providing services traditionally provided by a government, namely road repair, maintenance and other transportation and safety services.

Section 3. That there is hereby appropriated from the American Rescue Plan Act Fund an amount of \$3,555,000 for the Annual Street Maintenance Program.

Section 4. The City Manager and Finance Director are authorized to sign documents and submit reports to comply with utilizing ARPA funds.

Section 5. That this Ordinance shall take effect and be enforced from and after the earliest period allowed by law.

Passed this 14th day of March, 2022.

Mayor

Attest:

Clerk of Council