

CITY OF KIRTLAND

RESOLUTION NUMBER 22-R-16

A RESOLUTION ADOPTING THE STANDARD ALLOWANCE OF REVENUE LOSS PURSUANT TO THE AMERICAN RESCUE PLAN ACT OF 2021, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Kirtland 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 on January 6, 2022, and effective April 1, 2022, 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”].

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 simplify revenue loss calculation for smaller recipients.

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.

WHEREAS, some common examples of “government services” expressly recognized by Treasury are as follows:

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

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, funds utilized pursuant to the standard revenue loss allowance continue to have certain restrictions, including:

- Deposit into pension funds
- Satisfaction of settlements or judgments
- Contributions to financial reserves or “rainy day” funds

WHEREAS, this Council has identified projects which, in the judgment of the Council, qualifies as a permitted use of the ARPA Funds in direct support of governmental services, which consist of the following:

- 2022 Road Program as submitted by the City Engineer
- Broadband feasibility study

(the “Projects”).

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Council of the City of Kirtland, County of Lake and State of Ohio, that:

SECTION 1: The City of Kirtland 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 Projects are hereby authorized and shall be paid for from the ARPA Funds in an amount not to exceed the amount of the ARPA funds received plus any interest accrued. Any costs in excess of the ARPA funds shall be approved of, and appropriated by, this Council in separate legislation.

SECTION 3: The Projects described herein serve the objectives of the Act by providing services traditionally provided by a government, namely: police protection; fire and emergency medical services; road repair, maintenance and other transportation and safety services; public infrastructure support; general government administration and administrative facilities; land use regulations and enforcement; parks and recreational facilities and programs, or other specifically defined objectives as listed herein.

SECTION 4: Accordingly, the Projects are in the best interests of the City and are deemed a priority for the community.

SECTION 5: No obligations paid under the authority of this Resolution were incurred prior to March 3, 2021.

SECTION 6: This Resolution is hereby declared to be an emergency measure necessary for the preservation of the public peace, safety and welfare of the citizens of the City of Kirtland such reason being the Resolution must be enacted immediately in order for the City to participate in this program for the protection of all and to benefit from the funds provided. Therefore, this Resolution shall be in full force and effect immediately upon its passage by the affirmative vote of five (5) members of Council and approval by the Mayor, otherwise this Resolution shall be in effect from and after its adoption at the earliest period allowed by law.

First Reading: _____
Second Reading: _____
Third Reading: _____

DATE PASSED: _____

President of Council

Submitted to the Mayor for his
Approval on this _____ day of
_____, 2022.

ATTEST:

Approved by the Mayor on this _____
day of _____, 2022.

Clerk of Council
ARPA Adopting the Standard Allowance for Revenue Loss

Mayor Kevin F. Potter