

RECORD OF ORDINANCES

Ordinance No. 2023R-5

Passed 4-3, 2023

A RESOLUTION AUTHORIZING EXPENDITURE FROM AMERICAN RESCUE PLAN ACT FUNDS AND DECLARING AN EMERGENCY.

Be It Resolved by the Council of the City of Vermilion of Erie and Lorain Counties, City of Vermilion, State of Ohio.

WHEREAS, this date, April 3, 2023, Steve Herron moved the adoption of the following Resolution:

WHEREAS, the City of Vermilion 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

RECORD OF ORDINANCES

Ordinance No. 2023R-5

Passed 4-3 2023

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.

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, the Final Rule states that recipients must elect either the standard allowance or calculate revenue loss pursuant to the 4-step process and recipients may not use both methods; and

WHEREAS, this option was not available pursuant to the Interim Final Rule, at which time the City of Vermilion projected relating to revenue loss calculated to the 4-step process.

WHEREAS, the Council of the City of Vermilion seeks to adopt the standard allowance as serving in the best interest of the City of Vermilion.

NOW THEREFORE, it is hereby RESOLVED by the City Council that:

1. The City of Vermilion 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.
2. The City of Vermilion therefore rescinds any prior Resolution passed which calculated revenue loss pursuant to the Interim Final Rule.

Council of the City of Vermilion Pat Stein seconded the Motion, and thereupon, the votes in favor of this Resolution were recorded and reflected by the signatures hereto.

RECORD OF ORDINANCES

Ordinance No. 2023R-5

Passed 4.3, 2023

BE IT FURTHER RESOLVED: that it is hereby found and determined that all formal actions of this City concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Council of the City of Vermilion, and that all deliberations of the Council of the City of Vermilion and any of its committees that resulted in such formal action, were in a meeting open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 1: This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health, safety and welfare of said City and provided that this Resolution receives the affirmative vote of at least five (5) members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, from and after the earliest period allowed by law.


PASSED: 4/3, 2023


Monica Sweinhagen, President of Council

ATTEST: 4-3, 2023


Gwen Fisher, Clerk of Council

APPROVED: 4.3, 2023


Jim Forthofer, Mayor