



**TO:** Dale Cahall, Mayor  
**FROM:** Tyler Thompson, Village Administrator  
**CC:** Village Council  
**DATE:** March 19, 2021  
**RE:** Council Newsletter

Good afternoon everybody-

### **Completed Action Items**

- There should be some speed limit signs up now on the back entrance to the park. We'll also be reaching out to the sports leagues about getting their schedules for the Police Department.

### **Pending Action Items**

- I'm trying to connect with our latest playground equipment vendor to discuss accessible swings. We are playing phone tag.

### **Miscellaneous Items**

- At last, 718 East State Street has been torn down. We'll be pushing to have this on a sheriff sale so that it can be put in more productive hands soon. Now that we know the process, we'll start getting a bit more aggressive on properties which need to be demolished.
- I've asked Clermont County to inspect 110 E Cherry Street (the former Victory's Sport Bar) to begin a condemnation process. There are multiple holes in the roof visible from the sidewalk. The property owner has been talked with multiple times since 2018 and unfortunately has failed to make any improvements to the condition.
- Our engineers have begun assessing the cemetery retaining wall to determine how best to fix it up. Unsurprisingly, a big part of the problem is poor drainage. I've directed them that our preference is to preserve the existing wall for its historical value, but part of this evaluation will be to determine if that is feasible, both structurally and financially.
- Construction on the Georgetown Station Culvert Repair project should start next week. I've sent notices to the property owners adjacent to the job site to let them know. The contract states 90 days to substantial completion, although in meeting with the contractor this week they think it won't take that long.
- I listened in on an Ohio Municipal League webinar on Thursday about the American Rescue Plan funds. A fact sheet is attached. A few items of note:

- Funds will be distributed in two portions - half in around 2 months, the 2nd half around this time next year.
- The exact amount is still unknown because apparently they left townships out completely, so they may rework that to distribute Ohio's portion to townships as well.
- The Ohio Attorney General is also suing the federal government over the local allocations, so we'll see how that plays out. I don't get the impression it would put the allocation in jeopardy. It has to do with some of the restrictions on uses.
- Funds can be used for a wider range of purposes than the CARES Act money, but specific direction from the Treasury Department has not been released yet.
- Funds will be available until December 31, 2024, which is great.
- There are a variety of other indirect funding that we might be able to apply for.
- I'm signed up for another webinar next week, so we'll see if the experts know more by then.
- We have a small grant coming from Duke Energy to go towards the basketball court rehab. They typically don't make donations to the same place in consecutive years, but our rep made an exception for Georgetown.
- Black Design is going to be replacing the old decal on the police department window and updating the door lettering to match our logo and style guide.
- Seth Carkeek's band Back up and Push will be performing in the Gaslight Theater next Saturday, March 27 at 6:00 PM. Gary Strong and Hardtimes will be performing also. Tickets are \$15 at the door.

### **Upcoming Meetings**

- There will be a Regular Council Meeting on Thursday, March 25 at 7:00 PM in the Council Chamber.

As always, please let me know if there's anything you all need from me.

Enjoy your weekend,

Tyler

# **American Rescue Plan Act of 2021**

## **Coronavirus State and Local Fiscal Recovery Funds Fact Sheet**

### **Summary**

The American Rescue Plan Act of 2021 creates new Coronavirus State and Local Fiscal Recovery Funds to keep first responders, frontline health workers, teachers, and other providers of vital services safely on the job as states, local governments, Tribes, and territories roll out vaccines and fight to rebuild Main Street economies. Funds are available until December 31, 2024.

Now that the legislation has been cleared by Congress, all matters of execution—including allocations of funding, regulations prescribing eligible uses of payments, and resolving matters of statutory ambiguity—will be determined by the guidance and regulations promulgated by the Secretary of the Treasury, which will be determinative.

What follows is a summary of the key aspects of the recovery funds, and describes the intent of the legislation, along with a preliminary understanding of how the Treasury will execute the proposals.

- States and the District of Columbia: \$195.3 billion
  - \$25.5 billion will be equally divided.
  - \$755 million will be allocated to make the District of Columbia whole after it did not receive a fair allocation under the CARES Act.
  - The remaining funds will be distributed based on the share of total unemployed workers.
  - If a state's combined state and local funding total is less than what they received under the CARES Act, the difference will be allocated to the state (this guarantees a minimum of \$1.25 billion for each state).
  - To the extent practicable, states and the District of Columbia will receive allocations from the Department of Treasury (Treasury) within 60 days of submitting a Certification of Need.
  - If Treasury decides that a payment to a State requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to each state for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the State submits a second certification of need, the Secretary would be required to release the withheld amount by the 12-month deadline.
  
- Local governments: \$130.2 billion divided evenly between cities and counties
  - \$65.1 billion will be allocated to metropolitan cities.
    - \$45.57 billion will be allocated to municipalities with populations of generally at least 50,000 using a modified Community Development Block Grant formula and sent directly from Treasury to the city.

- \$19.53 billion will be allocated to municipalities with populations of generally fewer than 50,000 in states and territories, with allocations capped at 75% of the locality’s most recent budget as of January 27, 2020. Funds will be sent to the state to distribute to the local community based on population within 30 days of receipt unless an extension is granted. Even if granted an extension, States must distribute the funds to the local community not later than 120 days after they receive this funding for distribution or face monetary penalty, and cannot change the allocations or impose additional requirements.
  - \$65.1 billion will be allocated to counties based on population and sent directly from the Department of Treasury to the counties.
  - Funding will be distributed by Treasury in two tranches—one within 60 days of enactment to the extent practicable, and the second one year after the disbursement of the first tranche.
- Territories: \$4.5 billion
    - \$2.25 billion will be divided equally.
    - \$2.25 billion will be allocated based on population.
    - To the extent practicable, territories will receive allocations from Treasury within 60 days of submitting a Certification of Need.
    - If Treasury decides that a payment to a territory requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to the territory for up to 12 months from the date the certification of need is received. Such a withholding would not be required, and if the Territory submits a second certification of need, the Secretary would be required to release the withheld amount.
- Tribes: \$20 billion to federally recognized Tribal governments.
    - \$1 billion will be divided equally.
    - \$19 billion will be divided as determined by Treasury, which is expected to engage in Tribal consultation and to make use of data previously collected from Tribes to improve the distribution formula used in the CARES Act.
    - To the extent practicable, funding will be distributed by Treasury within 60 days of enactment.

In addition to these Funds, the law creates a new \$10 billion **Coronavirus Capital Projects Fund** for “critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease.” To implement this Fund, Treasury is required to establish a process of applying for grants within 60 days of enactment. The Fund will provide:

- \$100 million for each state, the District of Columbia, and Puerto Rico;
- \$100 million split equally between the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Marshall Islands, Micronesia, and Palau;

- \$100 million split equally between Tribal governments and Hawaii, with each receiving a minimum of \$50,000; and
- The remaining \$4.7 billion will be distributed to states, the District of Columbia, and Puerto Rico as follows:
  - 50% based on population
  - 25% based on rural population
  - 25% based on household income that is below 150% of the poverty line

The law also creates an additional \$2 billion **Local Assistance and Tribal Consistency Fund** that will allocate \$750 million to eligible revenue sharing counties (defined to include the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) and \$250 million to eligible Tribes for any government purpose other than lobbying. These funds will be distributed based on economic conditions of the recipient entities in fiscal years 2022 (beginning October 1, 2021) and 2023 (beginning October 1, 2022). Among other things, this fund is intended to assist counties currently reliant on the Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) programs, among other revenue sharing programs, but based on their real economic conditions rather than historic payments.

## **Frequently Asked Questions**

### **How can recipient governments use relief allocations from the State and Local Fiscal Recovery Funds?**

The Department of Treasury will issue guidance detailing its interpretation and implementation of eligible uses, but the statutory language specifically authorizes use of the funds. Each of the following is a separate allowable use of the funds for the recipient:

- To respond to the pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- For premium pay to eligible workers performing essential work (as determined by each recipient government) during the pandemic, providing up to \$13 per hour above regular wages;
- For the provision of government services to the extent of the reduction in revenue due to the pandemic (relative to revenues collected in the most recent full fiscal year prior to the emergency);
- To make necessary investments in water, sewer, or broadband infrastructure;

In addition, a recipient may transfer its allocation to a private nonprofit organization, Tribal organization, public benefit corporation involved in the transportation of passengers or cargo, or special-purpose unit of State or local government, if the recipient government so chooses. The recipient entity would need to use the funds consistent with the purposes listed above.

The recipient government must send Treasury periodic reports with a detailed accounting of the uses of the funds (States and territories must also provide all modifications to tax revenue sources since March 3, 2020).

The language explicitly prohibits funds from being deposited into a pension fund.

States and territories are also prohibited from using the funds to offset, either directly or indirectly, a tax cut made since March 3, 2021.

While the State and Local Fiscal Recovery Fund eligible uses are broader than those of the CARES Act Coronavirus Relief Fund, [guidance](#) previously released for the Coronavirus Relief Fund may provide insight into how Treasury may interpret and implement these American Rescue Plan provisions.

### **How will state and local governments receive the relief allocations?**

States and territories will receive their allocations within 60 days of submitting to Treasury a certification signed by an authorized officer that the funds are needed to respond to the pandemic and will be used in compliance with the eligible uses. If Treasury decides that a payment to a state requires additional justification, the Secretary could choose to withhold up to 50% of the allocation to each state and territory for up to 12 months from the date the certification of need is

received. Such a withholding would not be required, and if the state or territory submits a second certification of need, the Secretary would be required to release the withheld amount by the 12-month deadline.

Funding for counties, metropolitan cities, and nonentitlement units of local government (generally those under 50,000 inhabitants) will be separated into two tranches. To the extent practicable, Treasury is required to send out the first tranche (equal to 50% of the recipient's allocation) within 60 days of enactment, and the second tranche (the remaining 50%) not earlier than one year after the first disbursement. Counties, metropolitan cities, and nonentitlement units of local government are not required to submit a signed certification of need to Treasury.

Because it could take a full year for Treasury to calculate and disburse the allocations for nonentitlement units of local government, Treasury is instead required to send the amounts intended for those recipients to each state (including territories) within 60 days. States and territories would then have 30 days to disburse the funds to the nonentitlements based on population. Because of the potential administrative burden of evaluating the eligibility for all of these smaller localities, a state could, if necessary, ask Treasury for up to three extensions for distributing one or more of those allocations. The state or territory would need to justify why the extension is warranted, and would have no authority to change the amount of, or attach additional requirements to, the payments allocated to the intended local government recipients.

### **Why have the allocations on the estimates spreadsheet changed over time?**

- **States:** The bill was amended in the Senate to replace the minimum base payment to states of \$500 million with a total state- and local-level combined allocation equal to what the states received under the CARES Act, guaranteeing a minimum of \$1.25 billion for each state.
- **Counties:**
  - A correction was made to an error in the way the CDBG allocations were weighted across counties. This resulted in a greater number of urban counties receiving the CDBG markup (up to 14, from 11 previously) and a subsequent reduction in the amounts received by other counties.
  - A correction was made to a data sorting error that resulted in the wrong population inputs being used for roughly 3% of all counties.
- **Metropolitan Cities:**
  - A correction was made for an error in the way the CDBG allocations were weighted across metro cities. This resulted in increases in the projected assistance to each metropolitan city by about 9%.
  - Eligible metropolitan cities that did not receive a FY2020 CDBG award and were therefore left off initial runs were manually identified and added when possible.
- **Nonentitlement Units of Local Government:** The estimates gained more precision over time based on updates to how Treasury will calculate the nonentitlement allocation for each state, as well as a change to the definition of “nonentitlement unit of local government” to more accurately cover active local governments performing the functions of municipalities, as had been the intent. For example, the prior definition would have inadvertently made non-governmental entities eligible for allocations, which while

appropriate for the CDBG program, was not the policy intent of the state and local funding in the American Rescue Plan.

### **What will cause final allocations to differ from the estimates spreadsheet?**

- Interpretation and implementation decisions by the Department of Treasury, including the possibility of using the FY2021 CDBG formula for metro cities or 2020 population data for counties and nonentitlements (that data was not available at the time that the Congressional Research Service’s preliminary estimates were calculated).
- The cap on nonentitlement allocations at 75% of the entity’s most recent budget as of January 27, 2020. Congressional Research Service analysts do not have local budget information sufficient to calculate this cap, so it is not reflected in the estimates.
- Redistribution of funds from inactive counties to the local governments within the county.
- Potential addition of eligible metro cities that did not receive a FY2020 CDBG award and were therefore not included on the spreadsheet.
- Projected amounts for nonentitlements may be divided between more than one nonentitlement government to the extent that eligible nonentitlement governments have overlapping populations (for example, residents of a village government and town government in New York). In cases where an eligible government does not appear on this list but another government representing some or all of its population is listed, the total estimate provided represents all of the nonentitlement funding attributable to the government’s underlying population. Treasury guidance on how to distribute amounts for overlapping government will be determinative.

### **What if a city, town, village, or township is not included on the estimates spreadsheet?**

The updated spreadsheet is not a comprehensive list of eligible nonentitlement units of local government; rather, it uses publicly available data to estimate how Treasury might interpret the law.

The legislation defines “nonentitlement unit of local government” as either:

- (1) Any “municipality” (as defined by the Census) that is a city, county, town, township, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 5306(d)(4) of this title, is recognized by the Secretary; and the District of Columbia.

or,

- (2) any non-municipality (as defined by the Census) that is a town or township and which:
  - (i) possesses powers and performs functions comparable to these associated with municipalities,

- (ii) is closely settled, and
- (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census which have not entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities.

The Treasury Department will determine how this will be interpreted and implemented.

In cases where an eligible government does not appear on this list but another government representing some or all of its population is listed, the total estimate provided represents all of the nonentitlement funding attributable to the government's underlying population. Treasury will determine how such amounts are divided among such overlapping units of government.

### **What about cases where a local government appears more than once?**

The legislation provides for funding to cities (including both metro cities and nonentitlements) and counties to be separate and distinct. In cases where cities are also incorporated as counties, those governments should expect to receive funding both as a city and as a county.

However, any case where a local government is listed once as a city – either as both a metro city and a nonentitlement government, or twice as a nonentitlement government – is likely the product of error inherent in the estimating process. For any government that is listed as both a metro city and a nonentitlement government, the metro city estimate is likely to be more accurate. In cases where a government is listed more than once as a nonentitlement, any duplication should be ignored and the estimate should only be counted once, keeping in mind that some states have governments with identical names in different counties.