

RESOLUTION NO. 3-2021

A Resolution of the Town Council Adopting a Plan for Distribution of the Proceeds of the  
Town's Grant from the American Rescue Plan Act of 2021

WHEREAS, the Town of Roann has been awarded a grant from the American Rescue Plan Act of 2021 ("the Act"). In the amount of One hundred and One Thousand and Eight Hundred and Twenty Three Dollars and Forty One Cents (\$101,823.41) ("the Grant Funds"), half of which, or Fifty Thousand and Nine Hundred and Eleven dollars and Seventy One Cents (\$50,911.17) was received on August 4, 2021, and the remaining balance to be received in 2022; and,

WHEREAS, the Act requires a Grant Recipient to adopt a plan (the "Plan") to distribute the Grant Funds; and,

WHEREAS, the Town intends to use portions of the Grant Funds to recover the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the Town prior to the emergency, pursuant to Section 603(c)(1)(D) of the Act; and,

WHEREAS, the Town intends to use portions of the Grant Funds to make necessary investments in water, sewer, and broadband infrastructure, pursuant to Section 603(c)(1)(D) of the Act; and,

WHEREAS, the Plan is subject to amendments approved by the Roann Town Council (the "Council") as permitted the Act.

NOW, THEREFORE, BE IT ORDERED, ESTABLISHED, AND ORDAINED by the Town Council of the Town of Roann, as follows:

SECTION I. INTRODUCTION.

The Town's Plan for distribution of the Grant funds are as follows:

1. The payments identified in the Plan and future amendments to the Plan shall be authorized use of the Grant Funds.

2. The Plan may be amended to comply with the Act, any subsequent Amendments to the Act, rules adopted by the U.S. Treasury Department including 31 CFR Part 35, or at the discretion of the Council, to the extent provided by the Act.
3. The payment of all Grant Funds and any subsequent Grant Funds received pursuant to the Act, shall be subject to appropriation by the council.
4. The Plan's procedures and designated used for distribution of the Grant Funds from the Act are stated as follows in sections below.

SECTION II. Recovering Lost Revenue Due to COVID-19.

1. The second permitted use of the initial Grant Funds shall be to recover the Town's reduction in revenue (the "Lost Revenue") due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the Town prior to the emergency, pursuant to Section 603(c)(1)(C) of the Act.
2. This permitted use shall allow the Town to use Grant Funds to avoid cuts to essential government services or to meet other obligations of the Town to ensure that fiscal austerity measures are taken during the pandemic do not hamper the local economic recovery.
3. The Lost Revenue shall include, but not limited to:
  - 3.1. Local Property Tax Receipts due to Property Values Resulting from the COVID-19 Public Health Emergency.
  - 3.2. Local Income Tax Receipts.
  - 3.3. Food and Beverage Tax Receipts.
  - 3.4. Fuel Tax and Vehicle License Fee Distributions from the State.
  - 3.5. Rental and Enrollment Fee Receipts for Town Facilities and Programs.
  - 3.6. Entertainment Facility Admissions Tax Receipts.
4. The Lost Revenue will be calculated pursuant to the requirements provided by the Act.
  - 4.1. Calculating Lost Revenue shall be done pursuant to the guidelines provided by the Department of the Treasury.
5. The Lost Revenue determinations through 2024 may be added as an amendment to the Plan once the Department of the Treasury adopts a Final Rule providing guidance on specifics concerning calculations and data becomes available to complete corresponding calculations.

6. The Act provides broad and fixable uses of Lost Revenue recoupment outside of the eligibility requirements stated in other categories of permitted uses by the Act. Subject to appropriation actions, the Town has broad latitude to use the Lost Revenue funds for the provision of government services as follows:
  - 6.1. Government services, which can be funded from Lost Revenue funds, may include, but not limited to:
    - 6.1.1. Maintenance or “pay-go” funding for building of infrastructure, including roads.
      - 6.1.1.1. “Pay-go” infrastructure is defined as the practice of funding capital projects with cash-on hand from taxes, fees, grants, and other sources, rather than with borrowed sums.
    - 6.1.2. Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure.
    - 6.1.3. Health services.
    - 6.1.4. Environmental remediation.
  - 6.2. Lost Revenue funds shall not be used to replenish the Town’s “Rainy Day” fund, other Town reserve funds, nor for additional (i.e. extra) principal payments of Town debt.
  - 6.3. Consistent with the Act, the Town has broad discretion to determine what government services shall be funded by the Lost Revenue funds and how much of the Lost Revenue funds shall be used for each selected government service.
7. The permitted uses of Loss Revenue
8. Funds are subject to change and amendments to the Plan for the use of Loss Revenue funds shall be considered by Council upon request from the Administration of subject to the Act itself.

### SECTION III. Water Sewage and Broadband Infrastructure projects

1. The second permitted use of the initial Grant Funds shall be to make necessary investments in water, sewer, and broadband infrastructure pursuant to Section 603(c)(1)(D) of the Act as implemented by the Treasury Guidance.
2. The Act provides the Town with wide latitude to identify investments and projects in water and sewer infrastructure that are of the highest priority to the Town, which may include projects on privately-owned property.

3. To be permitted under the Act, any project or category of project must be eligible to receive financial assistance from the Environmental Protection Agency's ("EPA") Clean Water State Revolving Fund ("CWSRF") or Drinking Water State Revolving Fund ("DWSRF").

3.1. The SWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution.

3.1.1. The types of projects eligible under the Act and CWSRF include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect water bodies from pollution.

3.2. The DWSRF provides financial assistance for projects to protect public health and comply with drinking water regulations.

3.2.1. The types of projects eligible under the Act and the DWSRF include projects that improve water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.

3.2.1.1. The Town has been found to have a Well Pump in Well One (1) that has been in the Well since 2006 and is not performing to its potential. The Town has only two Wells and this could cause many problems if not rectified. The pump will have to be pulled and an inspection video will have to be conducted. After which, a new pump, motor, drop pipe, wire, bronze inline check valve, will have to be installed and run a three (3)-step overboard flow test and reconnected at which time two bacteriological samples will have to be collected. In addition the well has the propensity of needing to be cleaned which will add to the cost of the project. This project could cost in excess of Twenty Five Thousand and Fifty Eight Dollars and No Cents (\$25,058.00).

4. The Act provides the Town the ability to have broadband service reliably available to unserved or underserved households or businesses as defined by Department of the Treasury in the Interim Final Rules ("IFR").

4.1. The IFR defines 'unserved or underserved households or businesses' to mean one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speeds and 3 Mbps of upload speeds. The use of 'reliably' in the IFR provides recipients with significant discretion to assess whether

the households and businesses in the area to be served by a project have access to wireline broadband service that can actually and consistently meet the specified thresholds of at least 25Mbps/3Mbps—i.e., to consider the actual experience of current wireline broadband customers that subscribe to services at or above the 25 Mbps/3 Mbps threshold. Whether there is a provider serving the area that advertises or otherwise claims to offer speeds that meet the 25 Mbps download and 3 Mbps upload speed thresholds is not dispositive.

- 4.2. The IFA further elaborates on how that assessment should be made, noting that “recipients may choose to consider any available data, including but not limited to documentation of existing service performance, federal and/or state-collected broadband data, user speed test results, interviews with residents and business owners, and any other information they deem relevant.” Furthermore, it would be prudent for the Town to include data from local school districts about where it was necessary to deploy hotspots or gap networks as evidence of a lack of reliable 25/3 service being available.
- 4.3. The IFR also provides recipients with significant discretion as to how they will assess whether the project itself has been designed to provide households and businesses with broadband services that meet, or even exceed, the speed thresholds provided in the rule.
5. The Town does not need approval from United States Treasury Department to determine whether an investment in a water, sewer, or broadband project is eligible under CSFRF/CLFRF. Each recipient should review the Interim Final Rule (IFR), along with the preamble to the Interim Final Rule, in order to make its own assessment of whether its intended project meets the eligibility criteria in the IFR.

#### SECTION IV. Conclusion.

1. Pursuant to the Act, the Town shall only use Grant Funds obligated prior to December 31, 2024.
2. The period of performance for projects funded by the Grant Funds shall conclude on December 31, 2026; all projects funded by Grant Funds must be completed on or prior to the date.
3. This Plan is subject to amendments as more permitted uses are determined by the Act, United States Treasury Department guidance as prescribed in the (IFR), and as priorities for the Town develop.

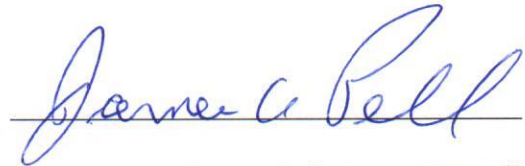
4. This Ordinance and Plan shall be in full force and effective upon passage and may be subsequently amended to conform with the Act.

IN WITNESS THEREOF, the Town Council of the Town of Roann, Indiana have adopted this Resolution and American Rescue Plan usage plan the 14<sup>th</sup> day of September, 2021.

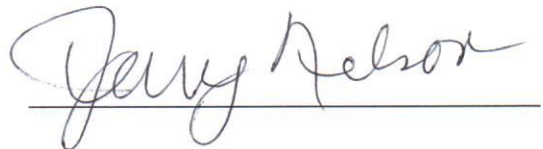
Approved on the 14<sup>th</sup> day of September, 2021 by the Town Council of the Town of Roann, Indiana



Richard Morris, Town Council President

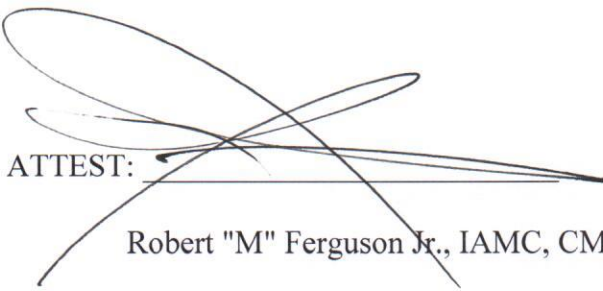


James Pell, Town Council



Jerry Nelson, Town Council

ATTEST:



Robert "M" Ferguson Jr., IAMC, CMC, CMO