

**ORDINANCE NO. 2022-01**

**AN ORDINANCE OF THE MORGANTOWN, INDIANA TOWN COUNCIL ELECTING  
TO USE ARPA GRANT FUNDS TO PROVIDE GOVERNMENT SERVICES AND  
ADOPTING A PLAN FOR APPROPRIATION AND DISTRIBUTION OF THOSE FUNDS**

**WHEREAS**, the Town of Morgantown, Indiana (“Town”), as a non-entitlement unit of local government, is a recipient of funding under and pursuant to Section 603 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021 (“the Act”) in the amount of Two Hundred Twenty-Two Thousand, Five Hundred Eighty and 64/100 Dollars (\$222,580.64) (“ARPA Grant Funds”);

**WHEREAS**, in accordance with the Indiana State Examiner’s Directive 2021-1, requiring each Indiana local unit that receives an allocation of ARPA Grant Funds to establish, by ordinance, a local grant fund, the Morgantown Town Council, on July 12, 2021, by its adoption of Ordinance 2021-05 established Fund Number 176, entitled **ARP CORONAVIRUS LOCAL FISCAL RECOVERY FUND**;

**WHEREAS**, Indiana State Examiner’s Directive 2021-1 has been updated, most recently on March 22, 2022, to reflect guidance provided by the U.S. Treasury Final Rule (the “Final Rule”) which implements the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the APRA;

**WHEREAS**, the Final Rule, among other things, expands and clarifies the uses of the Town’s Coronavirus Local Fiscal Recovery Fund, pursuant to Section 603(c) of the ARPA, as follows:

Fund Uses. The uses of the fund are specified in Section 603(c) as follows:

"(1) USE OF FUNDS – Subject to paragraph (2), and except as provided in paragraphs (3) and (4), a metropolitan city, non-entitlement 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, non-entitlement 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, non-entitlement 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, non-entitlement 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, non-entitlement unit of local government, or county prior to the emergency; or

(D) to make necessary investments in water, sewer, or broadband infrastructure."

**WHEREAS**, pursuant to the Final Rule, ARPA Grant Funds may not be used to make extraordinary contributions into any pension fund for the purpose of reducing an accrued, unfunded liability or for the following types of disbursements: payments for debt service and replenishments of rainy day funds; satisfaction of settlements and judgments; uses that contravene or violate the ARPA Uniform Guidance conflicts of interest requirements, and other federal, state, and local laws and regulations;

**WHEREAS**, more specifically Section 603(c)(1)(C) of the Act allows ARPA Grant Funds to be used for costs incurred for the provision of government services (defined as services traditionally provided by recipient governments) to the extent of the reduction in revenue due to the COVID-19 public health emergency;

**WHEREAS**, the Final Rule provides for a standard allowance of \$10 million for revenue reduction which a governmental unit, including the Town, may select as part of the reporting process to the U.S. Treasury through the U.S. Treasury Portal;

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

**WHEREAS**, the Town Council has considered the eligible uses as set forth in the Final Rule and decided to commit the Town's ARPA Grant Funds to costs incurred for the provision of government services pursuant to Section 603(c)(1)(C) of the Act.

**NOW, THEREFORE, BE IT ORDAINED** by the Town Council of the Town of Morgantown, as follows:

**Section 603(e)(1)(C) Election: Government Services to the Extent of Reduction of Revenue.**

The Town Council elects to use the Town's ARPA Grant funds for costs incurred for the provision of government services to the extent of the reduction in revenue and selects the standard revenue reduction allowance of \$10 million for reporting purposes. The Town Council, consistent with the Final Rule, acknowledges that, generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise. In any case, the Town Council, as the Town's Plan for use of the Town's ARPA Grant funds authorizes those funds to be used for the provision of government services as approved in the Final Rule, as may be further amended.

The Town's ARPA Grant Funds must be appropriated by the Town Council before being spent and all disbursements must be made directly from the Town's **ARP CORONAVIRUS LOCAL FISCAL RECOVERY FUND**. ARPA Grant Funds may not be transferred to the Town's General Fund or any other of its funds or accounts.

This Ordinance and the Town's Plan may be amended in a manner consistent with new guidance issued by the United States Treasury Department, the Indiana State Examiner, the Indiana State Board of Accounts, or otherwise in the discretion of the Town Council to best address the needs of the Town and ensure compliance with all applicable rules.

This Ordinance and Town's 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 Morgantown, Indiana has adopted this Ordinance and American Rescue Plan Act usage plan this 11th day of April, 2022.

**TOWN COUNCIL OF MORGANTOWN**

  
Penny Anderson, Town Council President

Attest:

  
Sharon McIntosh, Clerk Treasurer