

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF THE CITY OF DIAMONDHEAD,  
MISSISSIPPI DESIGNATING FUNDS RECEIVED FROM THE U.S. DEPARTMENT OF  
TREASURY (“TREASURY”) UNDER THE AMERICAN RESCUE PLAN ACT’S STATE AND  
LOCAL FISCAL RECOVERY FUND AS LOST REVENUES UNDER TREASURY’S  
STANDARD ALLOWANCE PRESUMPTION; AND RELATED USES**

**WHEREAS**, on March 11, 2021, the President of the United States signed into law the American Rescue Plan Act (“ARPA”), which created the State and Local Fiscal Recovery Fund (“SLFRF” together with ARPA, the “Funds”), to provide continued relief from the impact of the COVID-19 pandemic (“COVID-19”); and

**WHEREAS**, Sections 602(c)(1)(C) and 603(c)(1)(C) of the Social Security Act, as amended by Section 9901 of ARPA, Pub. L. No. 117-2 (March 11, 2021), provide that the Funds may be used for the provision of government services to the extent of the reduction in revenue experienced due to the COVID-19 public health emergency; and

**WHEREAS**, Treasury has established FAQ’s and related guidance, as amended from time to time (“Guidance”) for its interim final rule (the “Interim Final Rule”), setting forth specific requirements for utilizing the Funds, including the eligible uses thereof, received under ARPA; and

**WHEREAS**, on January 6, 2022, Treasury issued the Coronavirus State and Local Fiscal Recovery Funds, Final Rule (revising 31 CFR Part 35) (the “Final Rule”), which provides recipients with additional flexibility for their use of Funds received under ARPA, which will go into effect on April 1, 2022; and

**WHEREAS**, Treasury has also prepared the Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule (January 2022) (the “Overview”), to summarize the Final Rule provisions and provide a non-exhaustive list of projects that recipients can undertake with the Funds; and

**WHEREAS**, the Overview states (p.5) that the Interim Final Rule remains in effect until the effective date of the Final Rule, and that “Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used,” and further, the Overview explains that “recipients can choose to take advantage of the Final Rule’s flexibilities and simplifications now, even ahead of the effective date;” and

**WHEREAS**, Treasury issued a Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule on January 6, 2022, which states that “[p]rior to April 1, 2022, recipients may take actions and use funds in a manner consistent with the final rule, and Treasury will not take action to enforce the interim final rule if a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used;” and

**WHEREAS**, the Final Rule allows recipients to elect to take a “standard allowance” of up to ten million dollars (\$10,000,000.00) as the amount of the reduction in the recipient’s general revenue due to the COVID-19 public health emergency; and

**WHEREAS**, the Overview (p.11) specifies that recipients “can use the Funds on government services up to the revenue loss amount, whether that be the standard allowance amount[,] or the amount calculated using the [formula] approach;” and

**WHEREAS**, the City has accepted its SLFRF allocation of \$1,978,561.95 to be received in two (2) payments and, the City received its first payment in the approximate amount of \$989,280.97 of an estimated \$1,978,561.95 expected to be received and deposited it in a separate fund of the City; and

**WHEREAS**, in accordance with the Final Rule and the Overview, the City Council of the City (“Governing Body”) desires to adopt and declare the standard allowance lost revenue presumption of \$10,000,000 as the amount of the reduction in its general revenue due to the COVID-19 public health emergency and utilizes such Funds for the provision of government services.

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the City as follows:

1. That the City declares the lost revenue standard allowance presumption of \$10,000,000 under the Final Rule and Overview as the amount of the reduction in its general revenue due to the COVID-19 public health emergency, and thence shall utilize \$1,978,561.95 of its Funds to provide government services in the best interest of its citizens.
2. That the City shall utilize \$1,978,561.95 of its Funds to fund drainage projects, to include but not limited to those projects outlined in the Hancock County Watershed Based Stormwater Assessment and Management Plan by Waggoner Engineering dated December 2019 and other drainage projects deemed priority by the City of Diamondhead administration and governing body (the “Project”); and said Project is considered government services as allowed under the lost revenue standard allowance.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_ and the question being put to a roll call vote, the result was as follows:

	Aye	Nay	Absent
Councilmember Finley	___	___	___
Councilmember Moran	___	___	___
Councilmember Sheppard	___	___	___
Councilmember Clark	___	___	___
Councilmember Maher	___	___	___
Mayor Depreo	___	___	___

The motion having received the affirmative vote of a majority of all of the members of the Governing Body, the Mayor declared the motion carried and the resolution adopted, this the \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
MAYOR NANCY DEPREO

ATTEST:

\_\_\_\_\_  
JEANNIE KLEIN, CITY CLERK

(SEAL)