

OXFORD, NORTH CAROLINA
April 6, 2022

The Members of the Honorable Board of Commissioners of Granville County, North Carolina met in a special meeting on Wednesday, April 6, 2022, at 4:00 p.m. in the Meeting Room at the Granville Expo and Convention Center, 4185 US Highway 15 South, Oxford. The purpose of the meeting was regarding American Rescue Plan funding.

Present were:

Chairman: Tony W. Cozart

<i>Commissioners:</i>	Sue Hinman	Jimmy Gooch
	Zelodis Jay	Timothy Karan
	Russ May	David T. Smith

County Manager: Michael S. Felts

Assistant County Manager: Korena Weichel

County Attorney: James C. Wrenn, Jr.

News Reporters: David Murray – Oxford Public Ledger

MEETING CALLED TO ORDER

At 4:01 p.m., Chairman Tony W. Cozart called the meeting to order and then had the invocation.

INTRODUCTION OF COUNTY STAFF AND NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS (NCACC) STAFF

Chairman Cozart introduced County staff present at the meeting. He then recognized Jason King, Director of Strategic Member Services, with the North Carolina Association of County Commissioners (NCACC). Mr. King introduced Neil Emory, Outreach Associate, and Don Reeves, Strategic Project Coordinator, from NCACC who were also present.

OVERVIEW OF CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Mr. King stated that Granville County received \$11.74 million in American Rescue Plan Act (ARPA) funding. He then spoke from the following PowerPoint presentation that provided basic information about ARPA:

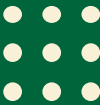


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ARPA Update

Jason King
NCACC Director of Strategic Member Services



INTERIM FINAL RULE (IFR)

The SLFRF Interim Final Rule (IFR) went into effect **MAY 17, 2021** and included preliminary information on eligible uses for the funds, reporting and compliance requirements to implement the program, other applicable rules, and potential consequences of ineligible uses.

The IFR was issued without advance notice and public comment to allow for immediate implementation of this program. Although it went into effect immediately, comments were solicited from interested members of the public and from recipient governments on all aspects of the IFR until July 2021, when the public comment period closed.

FINAL RULE

U.S. Treasury released its Final Rule on the American Rescue Plan Act State and Local Fiscal Recovery Funds program on January 6, 2022, after receiving over 1,500 public comments on its Interim Final Rule.

The long awaited Final Rule, which goes into effect April 1, 2022, provided increased flexibility for state and local governments. Among other things, it created a new standard allowance for expenditures in the revenue loss eligibility category, enabling counties to use up to \$10 million of their ARPA allocation for matching funds for other federal programs or general government services costs. To read an overview of the Final Rule, visit www.ncacc.org/ARPAfinalrule.

JANUARY 6, 2022

NOVEMBER 17, 2021 ENACTED STATE BUDGET

The North Carolina state budget was enacted, which directed North Carolina's \$5.4 billion allocation of American Rescue Plan Act funding. North Carolina was the last state in the country without an enacted budget in place, and prior to its passage, counties didn't know what programs or services the state would offer with state ARPA funds. Many counties wanted to preserve the option to leverage state programs first before investing their limited ARPA allocation. North Carolina state agencies are still in the process of rolling out guidance for the state-administered programs that utilize federal ARPA funds.



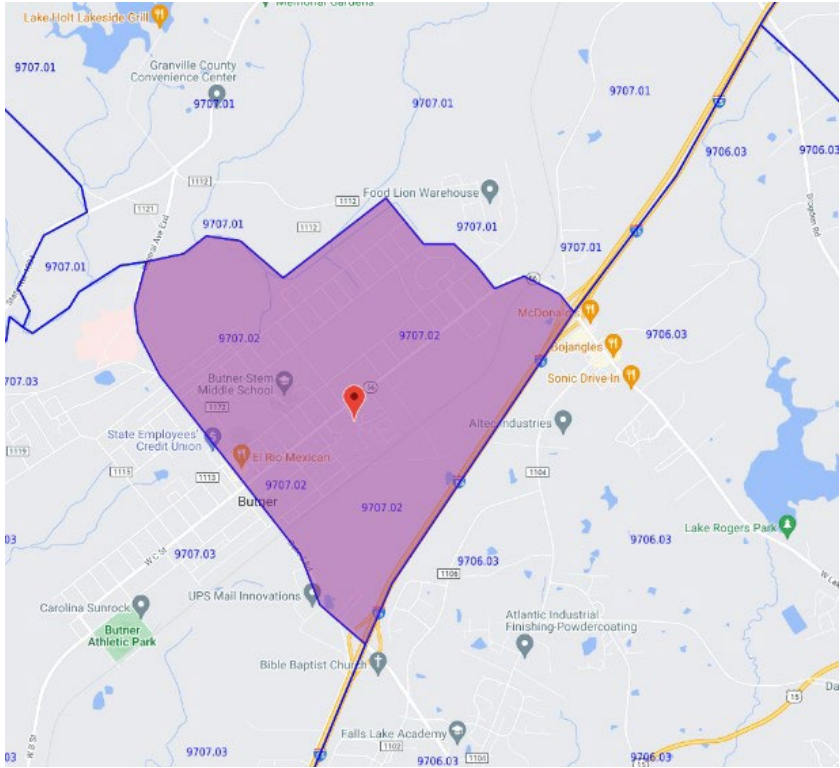
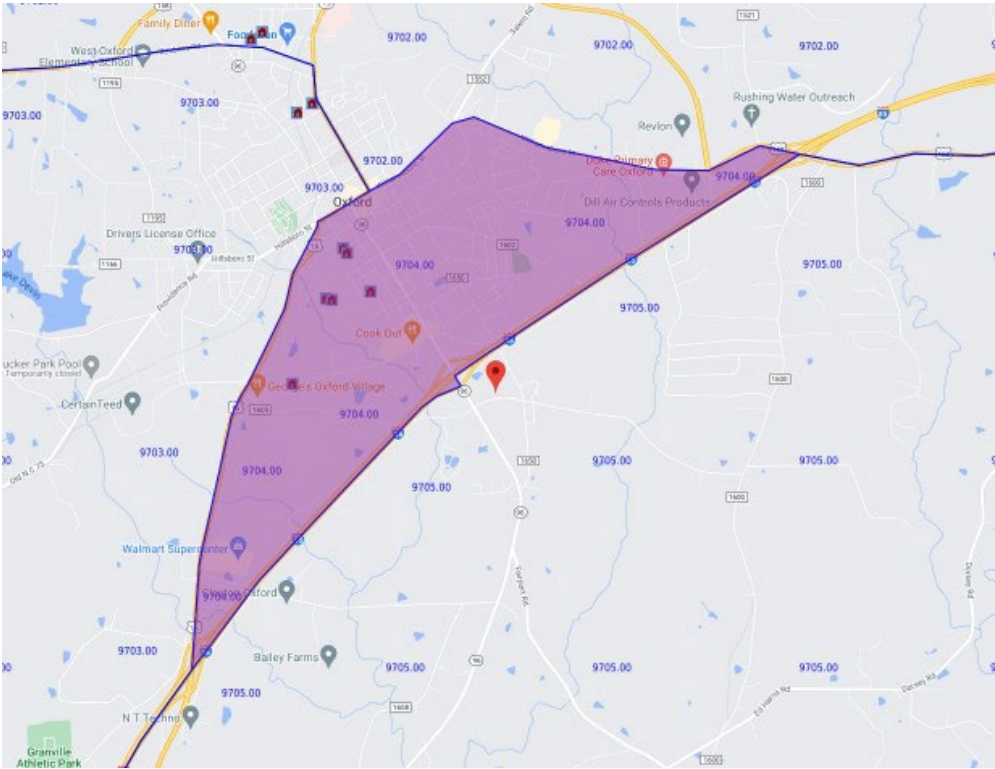
Unique Features of ARPA Fiscal Recovery Funds

- First tranche – 50 percent of total allocation – completed in 2021
 - Second tranche comes no less than 12 months after first tranche (Treasury: likely May 10)
- Counties receive ARPA funds directly from US Treasury
 - Must follow reporting and federal administrative requirements



Final Rule Offers Additional Flexibility

- Expands eligibility for investments in broadband and water infrastructure and the public sector workforce
- Allows more flexibility to address health and economic impacts
 - Offers new methods to identify certain populations presumed to have been impacted and disproportionately impacted by the pandemic.
- Expands eligible uses for cybersecurity, including the modernization of hardware and software





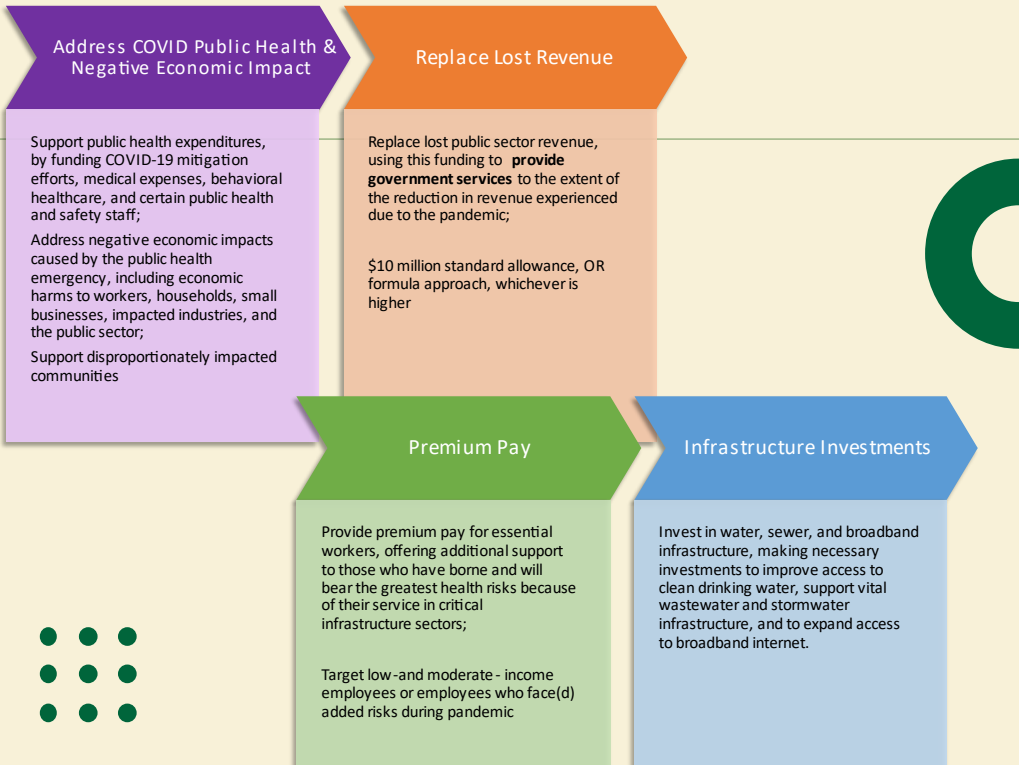
Final Rule: Clarity on Capital Expenditures

- Eligible capital projects must:
 - respond to the public health and negative economic impacts of the pandemic,
 - and be proportional to impact identified
- Capital expenditures equal to or greater than \$1 million require a prescribed written justification
- New congregate facilities and economic development projects are ineligible



New 'Revenue Loss' Standard Allowance

- New guidance allows counties to pick a new standard allowance (up to \$10 million) or use a revised formula to determine revenue loss
 - Revenue Loss category allows counties to fund broad, general government service expenditures
 - Cannot change decision once the choice is made
 - Simplifies reporting





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Revenue Replacement: Standard Allowance

Will elect standard allowance on Project & Expenditure Report (report deadline by April 30, 2022)

Electing the standard allowance and spending a portion of your ARP/CSLFRF funds as revenue replacement will significantly reduce reporting requirements. IT **DOES NOT** CONVERT THESE FUNDS INTO GENERAL FUNDS. THEY ARE STILL GRANT FUNDS, SUBJECT TO GRANT AWARD TERMS AND UNIFORM GUIDANCE COMPLIANCE REQUIREMENTS.



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Allowable Expenditures: Revenue Replacement

“maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.”



US Treasury Overview Supplement:

“[g]overnment services generally include any service traditionally provided by a government, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive: Construction of schools and hospitals; Road building and maintenance, and other infrastructure; Health services; General government administration, staff, and administrative facilities; Environmental remediation; [and] Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles).”



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Allowable Expenditures: Revenue Replacement

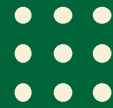
Translation: General government services are anything that a local government has state law authority to engage in, including public enterprise activities.



May fund any project that is eligible under the other ARPA/CSLFRF categories with revenue replacement funds, with the possible exception of Premium Pay. It is probably best to fund/report Premium Pay under the Premium Pay category.



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Share Your Stories

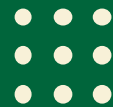
- Share statewide; NCACC can help
- Keep the public informed
- Congressional delegation needs to be informed and part of the process

Resources

- www.ncacc.org/arpa



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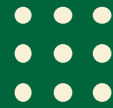


NCACC Strategic Member Services

- ARPA Local Fiscal Recovery Funds and funds from the national opioid settlement represent an opportune moment to meet needs and provide services.
- A complex set of federal and state guidelines accompany the funds along with extensive reporting requirements.
- NCACC is building internal capacity and expertise to help counties respond to the heightened load of administrative duties through a new service arm, NCACC Strategic Member Services.



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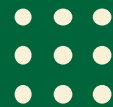
NCACC Strategic Member Services

Strives to assist counties in the areas of:

- Strategic planning and collaborative conversations
- Federal compliance standards, and eligible projects
- Project management, grant management, subrecipient monitoring and oversight, expenditure reporting, community outreach & communications



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NCACC Strategic Member Services

Our goal is to offer a variety of assistance to counties, including building a pipeline of future county government professionals and enhancing the career bridge between key North Carolina graduate programs and county governments.

Note: This is federal funding that has never been allocated before.

UPDATE ON COMMUNITY PROJECT FUNDING OPPORTUNITIES EARMARKS

Terry Hobgood, Public Information Officer and Grant Development Specialist reported that he and Chair Cozart attended a meeting via Zoom with Representative David Price's staff this morning about fiscal year 2023 Community Project Funding Opportunities. He reported that project applications can be submitted to Representative Price's office and are due next week, noting the quick turnaround for submittal. He gave examples of previously funded projects and

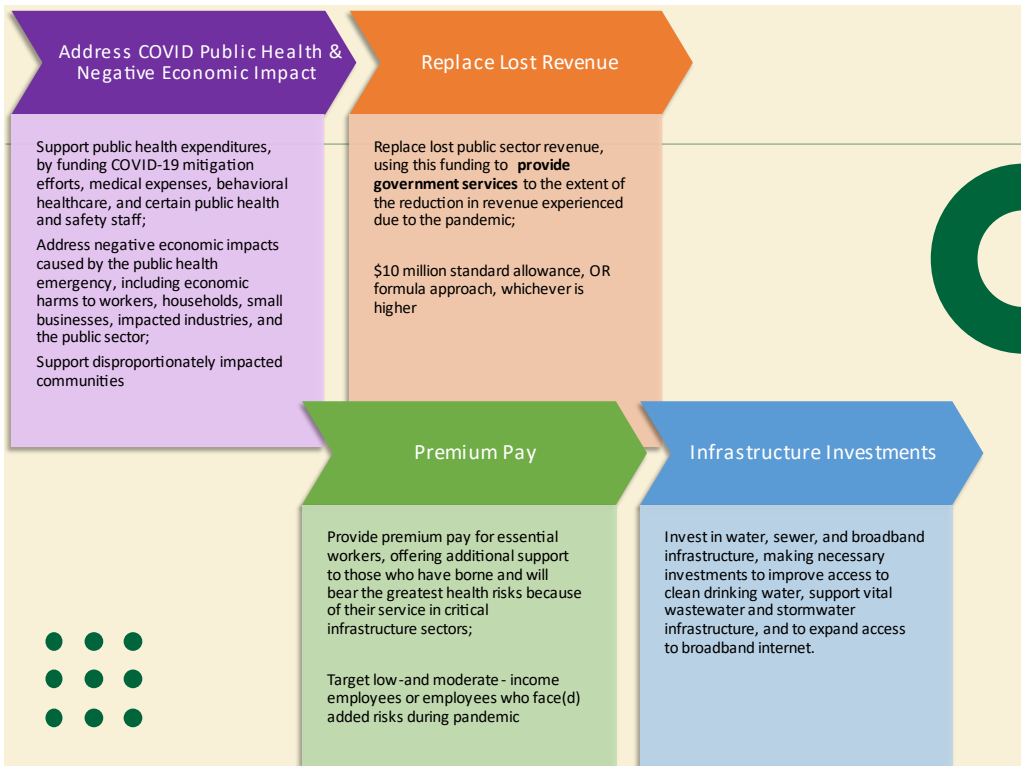
noted there is no limit on the number of applications and no limit on the amount of funding requested. He noted that local matches are not required but do increase the chance of being selected. Funding will be available late this year or next year and must be spent in fiscal year 2022-2023.

County Manager Felts said that Mr. Hobgood will be the point person for any suggestions for applications. Board members asked questions and clarification was made that any project that is ongoing or phased is eligible for funding, but funds must be spent in fiscal year 2022-2023. It was mentioned that there were several projects that might qualify for funding such as SGWASA, Oxford for the water project, and broadband.

City of Oxford Manager Alan Thornton and Oxford Mayor Jackie Sergent were present and mentioned seeking funding for the Kerr Lake regional water project.

RECAP OF PREVIOUS AMERICAN RESCUE PLAN ACT WORKSHOP

County Manager Felts recapped the previous work session of the proposed funding distribution from a handout that was distributed. He then spoke about the different categories that the State and Local Fiscal Recovery Funds (SLFRF) have available through the American Rescue Plan and how they can be used (see chart below). Granville County is anticipated to receive a total of \$11,740,344. He reviewed a list of potential projects, noting that Granville County Public School (GCPS) System air quality improvements for \$500,000 and Broadband Great Grants Projects for \$3.1M have been tentatively earmarked during previous meetings. He also mentioned revenue replacement of \$8.6M and talked about maximizing the benefit of the funds and minimizing the burden of reporting and tracking. County Manager Felts noted that he will need to know if the Board wants to do the revenue replacement option and if so will the standard or the long form will be used. Finance Director Steve McNally recommended the standard form. County Manager Felts encouraged the Board to make the determination of standard or long form in the regular budget process.



BREAK

At this point, the Board took a break at 4:53 p.m. The meeting resumed at 5:07 p.m.

DISCUSSION LEAD BY NCACC STAFF

Neil Emory with NCACC thanked the Board for the invitation to participate in the meeting and for supporting the NCACC. He talked about how you move forward and accept and report the funding. He recommended using the Replace Lost Revenue category for up to the maximum amount of \$10M to allow for flexibility and the Infrastructure Investments category for broadband and/or water and sewer needs. He explained that the State has money that will be passed down and it could be used as a match for projects. He talked about maximizing funds, using the Replace Loss Revenue category to allow for more flexibility, and the reporting challenges associated with ARPA funding. Mr. Emory noted that there is some discussion to remove some reporting requirements. He asked the Board to keep it simple, get more bang for your buck by allowing flexibility, and make the process staff friendly.

It was noted that the UNC School of Government has a blog and the Local Government Commission (LGC) has publications regarding the funding accountability requirements.

CONSENSUS REGARDING FUNDING

When asked by Mr. Emory, the Board noted consensus for broadband for \$3.1M and Granville County Schools for \$500,000 out of the \$11.7M of the proposed allocation plan. The Board reviewed and talked about capital needs at Granville Health System for EMS (Emergency

Medical Services) and hospital plant ops (parking lot and air handlers) as well as infrastructure water needs for SGWASA and Oxford. County Manager Felts said he would like to address the food insecurity matter in the regular budget and the Board agreed. The Board also decided to look at fire department needs and the Health Department surge funding during the regular budget process.

Chairman Cozart mentioned some capital needs at Granville County Schools including the track at J.F. Webb High School and the Board's responsibility for upkeep at the schools.

Discussion ensued.

The consensus of the Board was to direct the County Manager to work on a funding distribution plan of ARPA funds to include broadband, water and sewer infrastructure projects, hospital projects, and Granville County Public Schools air quality projects, and to leave the balance of funding in the Replace Lost Revenue category to allow for flexibility.

County Manager Felts said he would work on the funding plan for the ARPA funds and the regular budget to have most items sorted out by July 1st. He said he would reach out to the Board during the budget process about the air quality projects for Granville County Public Schools in the amount of \$500,000 so work can be done while students are out for the summer.

Mr. Emory noted that the State has a lot of available funding and encouraged the Board to reach out to their legislators.

ANY OTHER MATTERS

Chairman Cozart noted that blue ribbons were distributed by Social Workers and left for the Board to acknowledge Child Abuse Prevention Month.

Commissioner David T. Smith gave a closing prayer.

BOARD ADJOURNED

Upon a motion by Commissioner Sue Hinman, seconded by Commissioner Russ May, and unanimously carried, the Board adjourned at 5:40 p.m.

Respectfully submitted,
Debra A. Weary, NCMCC, CMC
Clerk to the Board