



South Congaree Town Council
Town Council Special Called Meeting
Monday, January 22, 2024, at 6:30 pm
South Congaree, Town Hall, Council Chambers.
119 West Berry Road, West Columbia SC 29172

Members in Attendance: Mayor Cindy Campbell, Mayor Pro-Tem Mechelle Mabry
Councilmembers: Kitty Spires (by Telephone), Jim Drennan and Brian Jackson.
Also in Attendance: Municipal Clerk Kerri Charlton, Town Attorney John Rakowsky
Special Guests: Naomi Reed and Erica Wright (Arrival 7:00 PM) from MASC.

The public was duly notified of the date, time, and place of the meeting.

I. Call to Order.

Mayor Campbell called the meeting to order at **6:30 PM**. A quorum was present. Mayor Campbell led in the Pledge of Allegiance and Invocation. Mayor Campbell read the Freedom of Information Act. Councilwoman Kitty Spires will be joining by telephone for this meeting.

II. Question and Answer with Naomi Reed and Erica Wright MASC.

Mayor Campbell introduced our new Field Representative Naomi Reed and provided some background information. Naomi Reed joined the association in 2023 as a Field Services Manager, she provides technical assistance and support services to the upstate region of SC. Prior to joining the association, Ms. Reed worked for the City of Fountain Inn for 17 years most recently serving as the Assistant City Administrator prior to that as Director of Finance. Ms. Reed holds a bachelor's in accounting from Columbia College.

6:32 PM-Floor open for discussion. The Town of South Congaree selected the "Revenue Replacement" Option.

6:32 PM- MASC Field Representative Naomi Reed address the Councils concerns and questions in reference to A.R.P.A funds and its eligible uses. The Town of South Congaree chose revenue replacement which allows the use of those funds under other revenue services. These eligible uses include City facilities, premium pay, public safety, payment for equipment and vehicles. Revenue replacement covers about anything you can think of that you would typically use for day-to-day operations in governmental services to the community. There are a few items you CANNOT use these funds for:

- Debt Service payments
- Funding of Pension Plans

1. **Question:** (Councilman Drennan) It was my understanding that Revenue replacement was to offset "Lost" revenue during Covid, is that a misnomer?
Answer: (Naomi Reed) The final ruling that came out allowed for Cities (municipalities) to claim a loss up to \$10 Million dollars without providing documentation.
2. **Question:** (Councilman Drennan) Where do we see the lost revenue?
Answer: (Naomi Reed) Some of this revenue is unknown over the covered period ending December 31, 2024. The Federal Government created a calculation that depicted the amount you could lose year over year. That was the awarded amount.

3. **Question:** (Councilman Drennan) Do we have to show/prove the lost revenue? **Mayor Pro-Tem Mabry answers, we do not.** Councilman Drennan questions Ms. Reed about the towns ability to float a bond. If we have no services which bring in income, we cannot receive a bond to make up the difference.

Answer: (Naomi Reed) Based on the information that the Town does not have any incoming revenue such as utilities, etc. The Town could not float a Bond, and ARPA funds cannot be used to repay Bonds.

4. **Question:** (Mayor Pro-Tem Mabry) Under the lost revenue it was stated we could build or update a new facility, what would that be under in all this information?

Answer: (Naomi Reed) I did not bring the entire final rule with me, but I will take a note and get that information back to you. But there is a provision section under lost public sector revenue, and I will read from that section:

“Municipalities can select the standard allowance up to \$10 million to spend on government services for the duration of the period instead of estimating the actual revenue lost.”

This is the Option the Town of South Congaree chose. Building a new facility is listed under response to public health concerns. So, when you take the standard allowance, you are funding other government services and that includes buildings.

5. **Question:** (Mayor Pro-Tem Mabry) My concern is services; it says you can update your building based on services. These services seem to read, fire, police, and emergency situations. So, what would be our services?

Answer: (Naomi Reed) These services also extend to your Town Hall. There are several municipalities that have improved their council chambers or their Town Hall because it accommodated your essential workers. Essential workers are a qualifying expense. Essential workers fall under several tiers. Public Safety is a tier, Town staff is another essential worker tier. Without staff, the Town Hall would not open.

6. **Question:** (Councilman Drennan) Could you (Ms. Reed) get a list of the 59 Municipalities without a milage and a list of their projects through ARPA?

Answer: (Naomi Reed) Yes. There is a dashboard that anyone can utilize to see this information. Councilman Drennan would like a list with only the 59 Municipalities and their uses.

7. **Question:** (Mayor Pro-Tem Mabry) What are Title One Projects? Under the CDC, CBDG, Corinex.

Answer: (Naomi Reed) These are separate Government funds; you cannot combine the use of two government funds for the same program / project. You could label them phase 1 CBDG and Phase 2 ARPA.

8. **Question:** (Mayor Pro-Tem Mabry) Getting back to eligible uses, How does upgrading, or replacing our facilities fall under public health response?

Answer: (Naomi Reed) If the town had adopted one of the four criteria listed and stated, I *only* want to respond to a public health emergency then the town would have to adopt those guiding principles and respond to those projects accordingly. But, since the Town chose to replace lost revenue, it opens up the ability to use the funds to build facilities.

9. **Question:** (Councilwoman Spires) What would prohibit the town from using the new funds to build a new facility?

Answer: (Naomi Reed) Based on the guidance, there is nothing that would prohibit you from doing it, other than the additional funding needed. I do not know the financial position of the Town.

10. **Question:** (Councilman Jackson) These can be used to expand the infrastructure we do not have sewer, but we could use this on a sewer project?

Answer: (Naomi Reed) Sewer, Stormwater, Broadband, those are all some of the eligible expenses that were specifically called out.

At the request of Attorney John Rakowsky, Naomi Reed reiterates these funds can be used for expanding, improving, or constructing new facilities. She also states, these funds must be allocated by December 31, 2024, and spent by December 31, 2026. There are numerous uses outside of facilities, broadband, sewer etc.

This is an educational information session; no votes will be taken. Councilman Jackson expressed the need for a public hearing in reference to hear from the citizens the direction the Town should go in utilizing these ARPA funds.

Erica Wright has arrived and joined in the conversation (7:00 PM)

Erica Wright is also from the Municipal Association. Ms. Wright is the legislative and public policy advocate. She joined the Municipal Association in April of 2020 and she previously worked with the Charleston Metro Chamber of Commerce in a variety of capacities. She most recently served as the Director of regional government relations. Erica has a bachelor's degree from Winthrop University and her master's in business administration from the Citadel.

11. **Question:** (Councilman Jackson) Could we utilize these funds to repair the Town sign that has been down?

Answer: (Naomi Reed) Yes, since the town chose Revenue Replacement, those funds could be used to repair/replace the sign. These funds could not be used for:

- Depositing into a Pension Fund
- Debt Service
- Replenishing a "Rainy Day" fund or Financial Reserve
- To satisfy any settlements, judgements or means against the town.
- To stop or undermine the efforts to stop the spread of the Pandemic.
- Spending outside of the time limit.

12. **Question:** (Mayor Campbell) Erica, could you speak in reference to the 59 Municipalities that do not have a millage?

Answer: (Erica Wright) Zero Millage legislation. There are currently 59 Municipalities that lack operating millage. There is nothing in Statute saying you cannot put one on. However, there was an opinion by the Attorney General that said, since the statute only addresses how to increase your property tax millage, therefore, there is nothing in the statutes giving you authority to institute one. MASC has re-introduced the 2019 Zero Millage legislature to the Senate, the Senate majority leader, Shane Massey, and Hoyt Gamble have sponsored this. Once this bill comes out of the Senate, it will go to the property tax subcommittee of the House of Representatives. We anticipate an uphill battle but are working to get your property tax millage. (HB945) Once this passes, and you can implement millage, the Council would have to come together to decide what that is and looks like and Vote. This would not be an arbitrary number; this would be based on your percentage of sales values and there is a formula you have to use.

<https://www.facebook.com/TownOfSouthCongaree/videos/830365128858415/>

(Please see 33:30 to listen to the entire update)

13. **Question:** (Mayor Pro-Tem Mabry) Is there any new legislative updates we need to know about?

Answer: New Legislation Updates, Erica Wright. (7:08 PM)

- I. Liquor Liability Insurance. The House has a committee reviewing this currently. MASC has sat in one meeting so far. This is a hot topic at the moment. Currently Monitoring.
- II. Short-term Rentals- introduced into the Senate, working to preserve the municipalities' ability to regulate them.
- III. Annexation: Counties are not happy and there are overwhelming misunderstandings on how Annexation works. Continuing to work on Annexation, there is a proposed law that would allow Counties to de-annex and take back annexed properties.
- IV. Municipal Elections HB3734-passed the House is currently in the Senate judiciary, it is understood this will move forward. This bill limits local municipalities to 3 election dates but is said to be reduced to 2 options. It requires Municipal election to be on odd years. It will be in a Sub-committee hearing in the next few weeks. MASC is currently monitoring.

Councilman Drennan reminds the citizens of South Congaree that Election registration is open from January 22, 2024, through February 2, 2024, at 5:00 PM. Let's get some younger people here on the council.

III. Citizens Comments: None

IV. Adjournment

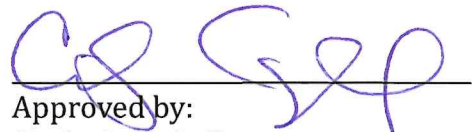
The council, on the motion of Mayor Campbell, seconded by Councilman Jackson, voted to adjourn the meeting at 7:16 PM. Motion carried with a unanimous vote of council.

The public was duly notified of the date, time, and place of the upcoming meeting.

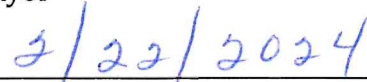
The Town of South Congaree is a handicapped accessible facility.



Attested by:
Kerri Charlton,
Municipal Clerk



Approved by:
Cindy Campbell,
Mayor



Date Approved

The American Rescue Plan Act (commonly known as “ARPA” or “ARP”) was signed into law on March 11, 2021 to provide additional financial relief in the wake of the COVID-19 pandemic. ARPA includes a significant amount of “Coronavirus State and Local Fiscal Recovery Funds” (SLFRF) for state and local governments to use over a period of several years. The local portion of these federal funds is referred to as the Coronavirus Local Fiscal Recovery Fund (LFRF).

The U.S. Treasury Department distributed LFRF funds in two equal installments, or “tranches,” with the first distribution occurring in mid-2021 and the second occurring in mid-2022. Counties and designated “metropolitan” cities received their distributions directly from the U.S. Treasury Department (“Treasury”), while all other cities and towns – referred to as “non-entitlement units of local government” or “NEUs” – received their distributions through the State of Washington.

Eligible Uses of Revenues

LFRF funds may be used to cover qualifying costs obligated between March 3, 2021 and December 31, 2024 and expended by December 31, 2026.

The funds may be used for the following purposes:

- To respond to the public health emergency or its negative economic impacts, including assistance to households (such as affordable housing, job training, and childcare), small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- For the provision of government services to 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 prior to the emergency; and
- To make necessary investments in water, sewer, or broadband infrastructure.

Replacing Lost Public Sector Revenue

Local governments may use LFRF funds to pay for “government services” in an amount equal to the revenue loss experienced by the local government due to the COVID-19 public health emergency (such as a drop in sales tax or business and occupation tax collections). Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services.

In order to use funds to replace lost revenue, each local government must first determine revenue loss. The final Treasury rule provides a new, simplified allowance. In short, local governments may either:

- Select a “standard allowance” of up to \$10 million to spend on government services for the duration of the period, instead of estimating actual revenue loss; or
- Calculate actual revenue loss according to the formula provided by Treasury.

Treasury allowed recipients to make a one-time selection between the two methods; local governments are unable to change to the other methodology.

Ineligible Uses of Revenues

Local governments may not use LFRF funds for:

- Deposit into any pension fund;
- Debt service, even if the expenses would otherwise be eligible (such as broadband infrastructure);
- Replenishing financial reserves such as rainy day funds;
- Satisfaction of settlements or judgments, unless the settlement requires the recipient to provide services or incur other costs that are an eligible use of LFRF funds;
- Programs, services, or capital expenditures that undermine efforts to stop the spread of COVID-19; or
- Expenses that violate the award terms and conditions or other laws and regulations (such as laws regarding procurement, contracting, conflicts of interest, environmental standards, or civil rights).

Accounting and Financial Reporting

Local governments should carefully document their use of ARPA funds, as well as electronic copies of the guidance used in program creation, design, and implementation, as such guidance (such as the interim rule) may have evolved over time.

Non-Entitlement Cities and Towns

All “non-entitlement unit” cities and towns that receive funding must file annual project and expenditure reports to Treasury by April 30 each year. The first report was due April 30, 2022.

**A RESOLUTION ELECTING THE STANDARD ALLOWANCE FOR LOST REVENUES
UNDER THE AMERICAN RESCUE PLAN**

WHEREAS, the Final Rule for Coronavirus State and Local Fiscal Recovery Funds, 31 C.F.R. Part 35 (the "Final Rule"), provides that American Rescue Plan Act Local Fiscal Recovery Funds ("ARPA Funds") may be used for the provision of government services to the extent of the reduction in the recipient's general revenue due to the public health emergency, 31 C.F.R. § 35.6(d);

WHEREAS, the Final Rule allows recipients to determine the reduction in general revenue by applying a standard allowance of \$10 million, 31 C.F.R. § 35.6(d)(1), or by applying a formula, 31 C.F.R. § 35.6(d)(2).

WHEREAS, the Town of South Congaree of West Columbia, South Carolina (the "Municipality"), intends to apply the standard allowance of \$10 million to determine the reduction in its general revenue during the test period;

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The Council of the Municipality hereby elects to apply the standard allowance of \$10 million to calculate the reduction in its general revenue during the test period.

Section 2. The Municipality acknowledges that the Final Rule does not become effective until April 1, 2022. As noted in the Overview of the Final Rule provided by the United States Department of the Treasury, however, "recipients can choose to take advantage of the final rule's flexibilities and simplifications now, even ahead of the effective date." See *Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule*, U.S. Department of the Treasury, p. 5. The Municipality is hereby choosing to take advantage of such flexibilities and simplifications.

Section 3. The Municipality acknowledges that the standard allowance is limited to the amount of ARPA Funds actually received by the Municipality. The Municipality therefore declares that the reduction in its general revenue during the test period is equal to the lesser of (a) \$10 million, or (b) the amount of ARPA Funds awarded to and/or received by the Municipality.


Section 4. The Municipality will appropriate the ARPA Funds by budget ordinance, and will expend the ARPA Funds for qualifying purposes, before December 31, 2024.

Section 5. The Mayor and Council of the Municipality is hereby authorized and directed to provide such additional documentation, assurances, or certifications as may be required by the United States Government or the State of South Carolina in order to carry out the purposes of this resolution.

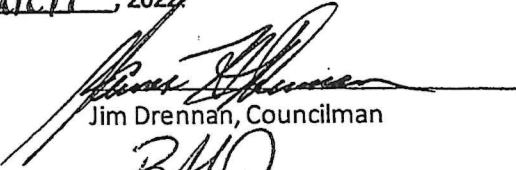
DONE IN MEETING duly assembled this 15 day of March, 2022.



Cindy Campbell, Mayor



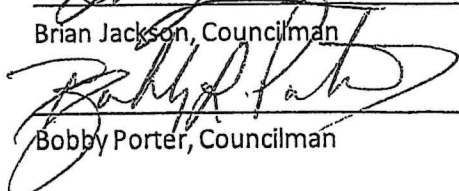
Mechelle Mabry, Mayor Pro Tem



Jim Drennan, Councilman



Brian Jackson, Councilman



Bobby Porter, Councilman