Finance & Administration Committee Meeting
June 15, 2021
4:00 p.m.

1. American Rescue Plan Funding – Mayor Hanson
2. Tractor Pull Benefit for Liz Buckley Turner – Request to waive fees
3. USDA Paving Project – Interim Financing
4. Pension Study Discussion – Director Rose & Director Dunn
5. Surplus Property Policy – Attorney Witherington
6. Budget Amendment Ordinance Updates – Director Fisher
7. Budget Discussion

JASON E. MUMPOWER
Comptroller

May 13, 2021

MEMORANDUM

TO: All County Mayors/Executives, County Commissioners, Highway Officials, and Finance Directors

All City Mayors, City Aldermen/Councilmen, and Finance Directors

FROM: Jason E. Mumpower, Comptroller of the Treasury Jason E. Mumpower

SUBJECT: American Rescue Plan Act – Interim Final Rule Federal Guidance

The U.S. Treasury released its Interim Final Rule guidance regarding the American Rescue Plan Act (ARPA) on May 10, 2021. We have included a link to the guidance and the accompanying Frequently Asked Questions document on a website dedicated to the American Rescue Act Plan at:

tncot.cc/covid

Below are some key points included in the guidance and frequently asked questions we want to specifically bring to your attention. We also recommend that you read through the frequently asked questions document for detailed information.

1) All counties and 18 cities will receive funding directly from the U.S. Treasury. These governments will need to request the funding by using the U.S. Treasury's Submission Portal. We just learned about this requirement through this latest guidance, and we have provided a link to the portal on the website listed above. The remaining cities will receive their funding through the Tennessee Department of Finance and Administration. Local education agencies will receive their funding from the Tennessee Department of Education.

2) One of the general categories for allowable uses is for revenue loss due to the pandemic. The guidance states that this calculation must be made for revenues at the "entity-wide" level, rather than a "source-by-source" basis. Therefore, individual revenue (e.g. hotel-motel revenue, highway revenue) losses cannot be considered in isolation.

3) Treasury is interpreting the requirement that costs for construction on eligible water, sewer, or broadband infrastructure be incurred by December 31, 2024 to only require recipients to have obligated the funds by such date. The period of performance will be extended until December 31, 2026. The guidance also mentions stormwater projects as an example of allowable uses under this general category.

4) While this money can be used in a variety of ways, the federal guidance specifically mentions some

unallowable uses. A few we want to bring to your attention are:

a) Funds cannot be used to reimburse your government for expenses related to the public health emergency or its negative economic impacts if they were incurred by your government prior to March 3, 2021.

b) Funds cannot be used to replenish or make contributions to rainy day funds or other reserve funds.

c) Funds cannot be used to pay interest, principal, or costs on debt. This includes long-term debt, short-term revenue or tax anticipation notes, or fees or issuance costs associated with new debt.

d) Funds cannot be deposited into a pension fund.

Please plan strategically and develop an overall plan to use the money to benefit the greatest number of citizens you can before you spend this money.

The Comptroller's Office stands ready to assist you. Please contact us with any questions you have at the email address and phone number below:

ARP@cot.tn.gov
615.401.7841

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver $350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide $350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver $350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of $350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount ($ billions)
States & District of Columbia	$195.3
Counties	$65.1
Metropolitan Cites	$45.6
Tribal Governments	$20.0
Territories	$4.5
Non-Entitlement Units of Local Government	$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures,** by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency,** including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury's Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. **Supporting the public health response**

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
  - ✓ Vaccination programs
  - ✓ Medical expenses
  - ✓ Testing
  - ✓ Contact tracing
  - ✓ Isolation or quarantine
  - ✓ PPE purchases
  - ✓ Support for vulnerable populations to access medical or public health services
  - ✓ Public health surveillance (e.g., monitoring for variants)
  - ✓ Enforcement of public health orders
  - ✓ Public communication efforts
  - ✓ Enhancement of healthcare capacity, including alternative care facilities
  - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
  - ✓ Enhancement of public health data systems
  - ✓ Capital investments in public facilities to meet pandemic operational needs
  - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
  - ✓ Mental health treatment
  - ✓ Substance misuse treatment
  - ✓ Other behavioral health services
  - ✓ Hotlines or warmlines
  - ✓ Crisis intervention
  - ✓ Services or outreach to promote access to health and social services

- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. **Addressing the negative economic impacts caused by the public health emergency**

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.

- **Supporting small businesses,** helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.

- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.

- **Rebuilding public sector capacity,** by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. **Serving the hardest-hit communities and families**

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health,** through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments,** including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. **Replacing lost public sector revenue**

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. **Providing premium pay for essential workers**

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. **Investing in water and sewer infrastructure**

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. **Investing in broadband infrastructure**

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. **Ineligible Uses**

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.

- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

American Rescue Plan Funding

Jason E. Mumpower
Comptroller of the Treasury

June 2021

TENNESSEE COMPTROLLER OF THE TREASURY

TENNESSEE COMPTROLLER OF THE TREASURY

American Rescue Plan

- Signed into law on March 11, 2021
- Sixth COVID-19 relief bill enacted by Congress
- $1.9 trillion package

State and Local Governments

- Includes a <u>total</u> of $350 billion for "Coronavirus State and Local Fiscal Recovery Funds"

- Tennessee cities and counties estimated to receive more than $2.2 billion
- Tennessee local education agencies (LEAs) will also receive more than $2.2 billion

How the Money is Flowing

- Some of the money will be sent directly to city and county governments from the U.S. Treasury
- All 95 counties and 18 cities must request funds through the NEW Treasury Submission Portal:

THE DEPARTMENT OF THE TREASURY 1789

TREASURY SUBMISSION PORTAL

How the Money is Flowing

- Other cities will receive funding through the State
- Education funds will flow through the TN Department of Education (reimbursement basis)

Cities Receiving Direct Funding

Bartlett	Bristol	Chattanooga
Clarksville	Cleveland	Collierville
Franklin	Hendersonville	Jackson
Johnson City	Kingsport	Knoxville
Memphis	Morristown	Murfreesboro
Nashville-Davidson	Oak Ridge	Smyrna

TENNESSEE COMPTROLLER OF THE TREASURY

How the Money is Flowing

- City and county money will arrive in two tranches:
  - First wave available now
  - Second wave will arrive 12 months later
- Cities and counties will have until **December 31, 2024** to spend the funds
- LEAs will have funds available to use through **September 30, 2024**

A Word of Caution

No expenditures should be made before you are certain that the use of the funds comply with the provisions of the American Rescue Plan.

Unused funds or funds deemed to have been used inappropriately must be returned to the U.S. Treasury.

City and County Spending Eligibility

- Support public health expenditures
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue
- Provide premium pay to essential workers
- Invest in water, sewer, and broadband infrastructure

Water and Sewer Spending

- Many utility systems have aging infrastructure.
- If money is spent on capital improvements, these assets will need to be depreciated over time.
- Utility systems must be certain rates are adequate to fund depreciation and all other utility-related costs.

Education Spending Eligibility

- 20% of the funds must be used to address learning loss.
- The use of the remaining 80% appears to be somewhat flexible and can be used for a number of purposes.
- Governor Lee has outlined a number of priority focus areas.

Unallowed Uses

- Funds cannot be used to reimburse costs incurred by your government prior to March 3, 2021.
- Funds cannot be used to replenish rainy day funds or similar reserves.
- Funds may not be used to pay interest or principal on outstanding debt (includes short term notes).
- Funds can not be deposited into a pension fund.

TENNESSEE COMPTROLLER OF THE TREASURY

Requirements

- Maintain adequate internal controls over the spending of the Act funds.
- Ensure your government is meeting any periodic reporting requirements.
- All funds will be subject to audit.

Best Practices

- American Rescue Plan funds should be maintained separately from other funds received by your government entity.
- Expenditures related to the use of these funds should also be separated from other expenditures.
- Detailed documentation should be maintained.
- Be transparent with the public.

Best Practices

- The Tennessee Comptroller's Office strongly recommends that these funds should only be used for one-time expenses.
- Consider full costs of all projects including staffing requirements, maintenance, and future replacement.
- Use the money to do the greatest amount of good for the greatest amount of citizens/students.

Our Advice

- Use this money to stabilize your communities.
- Think strategically before you spend.
- Consider creating a group of government officials, business leaders, nonprofits, and other stakeholders to strategize spending plans and track results.

The Unknowns

- The federal government will likely continue to issue guidance and instructions - including info on reporting requirements.
- The Tennessee Comptroller's Office will continue to provide information as it becomes available.

For More Information

Please visit:

tncot.cc/covid

TENNESSEE COMPTROLLER OF THE TREASURY

Contact Information

Email questions to:

ARP@cot.tn.gov

Phone: 615.401.7841

ARP Allocation

Benton County	$3.14 million
Carroll County	$5.39 million
Chester County	$3.36 million
Crockett County	$2.76 million
Decatur County	$2.26 million
Dyer County	$7.21 million
Fayette County	$7.99 million
Gibson County	$9.54 million
Hardeman County	$4.86 million

Tennessee Comptroller of the Treasury

ARP Allocation

Hardin County	**$4.98 million**
Haywood County	**$3.36 million**
Henderson County	**$5.46 million**
Henry County	**$6.28 million**
Lake County	**$1.36 million**
Lauderdale County	**$4.98 million**
Madison County	**$19.03 million**
McNairy County	**$4.99 million**
Obion County	**$5.84 million**

ARP Allocation

Shelby County	**$182.03 million**
Tipton County	**$11.96 million**
Weakley County	**$6.47 million**

ARP Allocation for LEAs

Benton County Schools	$5.95 million
West Carroll SSD	$2.33 million
McKenzie SSD	$2.5 million
Huntingdon SSD	$3.04 million
Hollow Rock-Bruceton SSD	$1.78 million
South Carroll SSD	$865,882
Chester County Schools	$4.87 million
Crockett County Schools	$3.23 million
Alamo Town Schools	$906,335

ARP Allocation for LEAs

Bells City Schools	$781,010
Decatur County Schools	$3.57 million
Dyer County Schools	$6.2 million
Dyersburg City Schools	$8.98 million
Fayette County Schools	$8.99 million
Gibson County Special	$3.54 million
Humboldt City Schools	$4.43 million
Trenton SSD	$2.88 million
Milan City SSD	$3.51 million

TENNESSEE COMPTROLLER OF THE TREASURY

ARP Allocation for LEAs

Bradford SSD	$686,523
Hardeman County Schools	$9.46 million
Hardin County Schools	$9.17 million
Haywood County Schools	$7.39 million
Henderson County Schools	$6.73 million
Lexington City Schools	$1.92 million
Henry County Schools	$7.86 million
Paris City Schools	$4.39 million
Lake County Schools	$3.32 million

ARP Allocation for LEAs

Lauderdale County Schools	$13.39 million
Jackson-Madison Schools	$37.68 million
McNairy County Schools	$9.36 million
Obion County Schools	$5.83 million
Union City Schools	$5.04 million
Shelby County Schools	$503.14 million
Arlington City Schools	$6.59 million
Bartlett City Schools	$17.63 million
Collierville Schools	$16.01 million

TENNESSEE COMPTROLLER OF THE TREASURY

ARP Allocation for LEAs

Germantown City Schools	$11.30 million
Lakeland City Schools	$2.85 million
Millington City Schools	$7.13 million
Tipton County Schools	$17.84 million
Weakley County Schools	$8.69 million

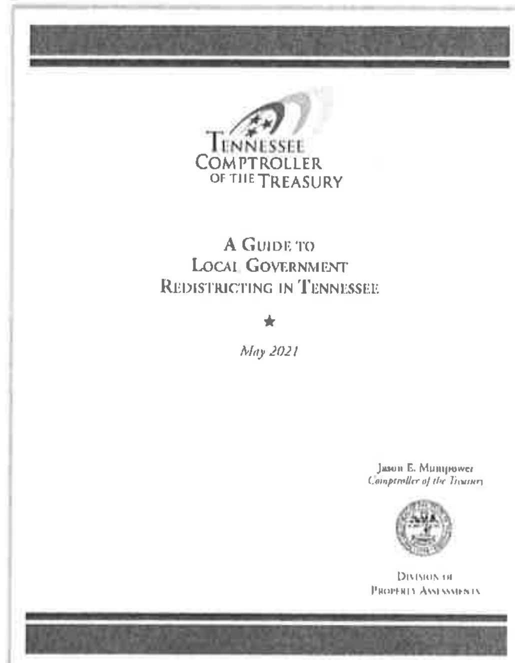
2021 Redistricting

All 95 Counties should be taking steps to prepare.

Redistricting and Reapportionment must be complete by

January 1, 2022.

tncot.cc/2021guide


Tennessee Comptroller of the Treasury

A Guide to Local Government Redistricting in Tennessee

★

May 2021

Jason E. Mumpower
Comptroller of the Treasury

Division of Property Assessments

TENNESSEE COMPTROLLER OF THE TREASURY

American Rescue Plan Funding

Jason E. Mumpower
Comptroller of the Treasury

June 2021

TENNESSEE COMPTROLLER OF THE TREASURY

Pension Study Results -

In the proposed budget, the City is contributing $960,000.00 (80,000.00/month) annually to the defined benefit plan for employees hired before October 2015.

A study was performed by our actuary and the results are attached. This study was completed to allow for unreduced early retirement benefits to public safety and all employees after the completion of 30 years of service. Due to the investment earnings, the frozen plan, and the extra funding for the liability, the contribution to increase the benefit to all employees is estimated to be an annual cost of $546,000.00. There would be no change in our proposed budget to allow for this additional benefit for all employees.

If the Board chooses to add the plan with the increased benefit, the annual contribution for the 2022-23 budget will decrease $240,000.00.

If the Board does not choose to add this benefit to the defined plan, the annual contribution for the 2022-23 budget will decrease of $480,000.00.

In the proposed budget, the City is contributing 5.96% of employees' salaries to the TCRS (Tennessee Consolidated Retirement System) hybrid plan. We have researched to upgrade to the TCRS legacy plan as of 1/1/2022. This plan will allow for retirement at age 60 or 30 years of service. This plan will require a contribution of 4.4% from the City but the employee will also contribute 5% of his/her salary to this plan. The employees that are on the hybrid plan will have the option to change to the new plan but will have to start contributing once they change plans. There will be no additional cost to the retirement line item in the budget. Although employees will begin to contribute, their benefits will also increase.

After January 1, 2022, the Hybrid Plan will be frozen, and all new hires will be placed in the TCRS Legacy Plan if they choose to participate in a retirement plan.

Long term, the TCRS Legacy Plan would be an attractive benefit for new employee applications and also be an incentive for employees to remain in city employment.

Providing these options also provides more consistency to those who have longer years of service.

DISCUSSION OF STUDY RESULTS

1. Assuming the City continues to contribute $100,000 per month through August of 2021, the unfunded actuarial liability for the January 1, 2021 actuarial valuation is $544,822. Based on the current 12-year amortization of the unfunded actuarial liability, the recommended contribution for the 2021 Plan Year would be $308,000.

2. Amending the Plan to provide unreduced Early Retirement Benefits to all Public Safety employees upon the completion of 30 years of service would increase the Actuarial Liability of the Plan by $711,398 and the Normal Cost by $14,211. Based on the current 12-year amortization of the unfunded actuarial liability, the recommended 2021 contribution would increase by $98,600 to $406,600.

3. Amending the Plan to provide unreduced Early Retirement Benefits to all employees upon the completion of 30 years of service would increase the Actuarial Liability of the Plan by $1,738,374 and the Normal Cost by $31,813. Based on the current 12-year amortization of the unfunded actuarial liability, the recommended 2021 contribution would increase by $238,000 to $546,000.

Chapter 939 of the 2012 Public Acts

Tennessee Consolidated Retirement System Local Government Plan Options

Nothing in this document applies to State Employees, K-12 Teachers or Higher Education Employees
Nothing in this document applies to any local government employee hired prior to the effective date July 1, 2012
No local government entity is required to make any changes
These provisions are optional and are effective only upon adoption by the local government entity

Current Plan Features	Current Local Government Plan and Additional Options for new hires (Selected Provisions Only – See legislation for all provisions)
Plan 1 **Current TCRS political subdivision pension plan.** • Provides pension multiplier of 1.575% for retirement at age 60 or after 30 years of service • Early retirement available with reduction at age 55 or after 25 years of service • Employers may require either 0% or 5% of pay employee contribution; and may select annual cost of living adjustment (COLA) with 3% cap or no COLA	1.1 All current local government employees remain in Plan 1 with no changes, even if local government adopts one or more options below for new hires after July 1 , 2012. 1.2 Employers may retain this option for employees hired after July 1, 2012. **Local government entities may only adopt <u>additional provisions</u> for Plan 1 for new hires effective the later of July 1, 2012 or the date the option is adopted by local government.** 1.3 Employers may adopt an additional contributory option for new employees at 2.5% of salary. Result is Employer may require new hire Employees to contribute 0%, 2.5%, or 5% of pay to the plan. 1.4 Local government employers may (for new hires only) freeze, suspend or modify benefits, employee contributions, plan terms and design prospectively (i.e., for future service) for employees hired after the July 1, 2012. Accrued benefits will not be affected.

Proposed Plan

Normal Cost to local government entity employer (percent of payroll):

	0% Employee		2.5% Employee		5.0% Employee	
	COLA	NO COLA	COLA	NO COLA	COLA	NO COLA
Plan 1	11.2%	9.1%	8.8%	6.7%	6.5%	4.4%

Summary of New Local Government Retirement Plan Options
(Selected Provisions Only – See legislation for all provisions)

Plan 2 **2012 pension plan reforms.** • Modify current plan to adjust for longevity, reduce costs and increase employer options	2.1 Defined Benefit Pension Plan with Annual Service Accrual multiplier of 1.4%. 2.2 New retirement age of 65 or Rule of 90. Permit earlier retirement at age 60 or Rule of 80, at a reduced benefit using the full, unsubsidized actuarial discount factors. Public Safety Officer eligibility and benefits remain the same, if adopted by the local government 2.3 Maximum annual pension benefit of $80,000 adjusted for CPI. 2.4 Employers may elect annual COLA capped at 3% or no COLA provision. 2.5 Employers may require employee contributions of 0%, 2.5%, or 5% of pay. 2.6 Local government employers may (for new hires only) freeze, suspend or modify benefits, employee contributions, plan terms and design prospectively (i.e., for future service) for employees hired after the July 1, 2012. Accrued benefits will not be affected.

Normal Cost to local government entity employer (percent of payroll):

	0% Employee		2.5% Employee		5.0% Employee	
	COLA	NO COLA	COLA	NO COLA	COLA	NO COLA
Plan 2	8.2%	6.8%	5.8%	4.4%	3.4%	2.0%

Present Plan

Plan 3 **Hybrid plan option (i.e. Defined Benefit Plan plus Defined Contribution Plan)** • 1% pension multiplier; plus • 401(k), 401(a) or 457 Plan	3.1 All the same Defined Benefit Pension Plan Provisions as Plan 2 above, except Annual Service Accrual multiplier is 1% 3.2 Employer must provide some form of defined contribution (DC) plan, which can be satisfied with a supplemental deferred compensation plan or any other qualified defined contribution plan. 3.3 State will offer its 401(k) plan and other DC options to local governments but local governments may procure DC plan from any source. 3.4 Maximum employer contribution to the DC component would be limited to 7%. 3.5 State recommends, but does not require, that participating local government employers require combined employer and employee contributions of at least 5% of salary in the DC plan.

Normal Cost to local government entity employer of defined benefit plan portion only (percent of payroll):

	0% Employee	2.5% Employee	5.0% Employee
	COLA	COLA	COLA
Plan 3	5.9%	3.5%	1.1%

Plan 4 **Defined contribution option** • 401(k), 401(a) or 457 Plan	4.1 State can provide local government entities three options: 401(k) plan, a fixed-contribution 401(a) plan and its supplemental 457 plans as employer options. 4.2 Employers are free to design any benefit and contribution level available under the third-party administrator's recordkeeping system. 4.3 Maximum combined employer and employee contributions are subject to IRS limits. 4.4 State will offer its defined contribution plans to local governments, but local governments may procure a defined contribution plan from any source.

This estimate of Normal Cost is based on current TCRS annual earnings assumption of 7.5%. Use of a lower earnings assumption will result in a higher normal cost. Normal cost is the portion of compensation (expressed as a percentage of payroll) that is being deferred in the current accounting year. This is one element of total pension cost which can increase due to multiple factors such as market losses in investments, future salary increases in excess of assumptions, and is not a guarantee of costs for a particular entity. Normal cost can only be determined by an actuarial study of a particular local government entity.

For further information, please go to www.treasury.tn.gov/tcrs and select the tab titled "New Plans for Local Govt". Please contact the TCRS Field Services division at (615) 741-1971 for questions or to obtain appropriate resolutions.

A RESOLUTION OF THE CITY OF COVINGTON, TENNESSEE, TO ESTABLISH A POLICY FOR THE SALE AND DISPOSAL OF PROPERTY DETERMINED TO BE SURPLUS TO THE CITY'S NEEDS.

WHEREAS, it is in the public interest for the City of Covington to periodically sell or dispose of certain machinery, equipment, or materials which, by nature of its obsolescence, low value, or disrepair, has been determined by the Board of Mayor and Aldermen to be surplus to the realistic and foreseeable needs of the City; and

WHEREAS, the Board of Mayor and Aldermen wishes to establish a uniform policy, which provides that obsolete and unneeded property will be offered for sale to the general public in an open, transparent, and cost-effective manner, and assures against usable and valuable property from wrongfully being declared obsolete and offered for sale.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF COVINGTON BOARD OF MAYOT AND ALDERMEN, AS FOLLOWS:

1. **Title.** This Resolution shall be known as the "Covington Surplus Property Policy" and shall be the official guideline for the sale of the City's surplus properties.

2. **Authority to declare property as surplus to the City's needs.** Any member of the Board of Mayor and Aldermen, the Mayor, and any department head may nominate any City-owned property for disposal or sale as surplus property. All such nominations shall be made on forms developed by the City and signed by the person making the nomination. Signed nominations shall be forwarded to the Finance and Administration Committee for review, discussion and approval of the sale. Once approved by the Finance and Administration Committee a final resolution authorizing the sale shall be presented to the Board of Mayor and Aldermen at the next regularly scheduled meeting. It shall be the official policy of the City of Covington that no city-owned property shall be sold, or offered for sale, as surplus property without prior authorization by the Board of Mayor and Aldermen. The Board's authorization to sell surplus property shall be in the form of a Resolution.

3. **Unauthorized sales.** Any employee of the City of Covington found to have sold, or offered for sale, any City-owned property in violation of the Covington Surplus

Property Policy shall be subject to disciplinary action and, if applicable, criminal prosecution.

4. **Surplus property nomination form.** The attached form shall be used by city officials to nominate surplus property for sale. As a minimum, information provided on the proposed surplus property shall be:

(a) A brief description of the item proposed for sale, including manufacturer, model number, serial number, age, and condition; as well as any asset number assigned o the item in the City's Capital Asset listing;

(b) The department or office to which the property is assigned;

(c) An explanation of why the property is no longer needed by the City;

(d) An estimate of the current in-place value of the property; and

(e) The name and signature of the person making the nomination.

5. **Surplus property criteria.** Before classifying any property as being surplus, the Finance and Administration Committee shall consider the following:

(a) The age and condition of the property;

(b) The cost of replacing the property, if any;

(c) The anticipated remaining life of the property;

(d) The estimated value of the property;

(e) Whether the property might reasonably, safely, and efficiently be used by another City department or office.

6. **Sales procedures.** Unless otherwise directed by the Board of Mayor and Aldermen, all surplus property approved for sale shall be sold according to the following procedure:

(a) The Mayor shall be wholly and solely responsible for advertising and conducting all surplus property sales.

(b) The preferred method of sale shall be a public auction, on a cash, certified check, or if applicable, debit or credit card basis. A public auction may include the use of a nationally recognized government surplus website, such as GovDeals.com or PublicSurplus.com. Sales on such websites shall include a buyer's premium so that the buyer bears the cost for using the website service. When a public auction is not practical or efficient, the Board may direct the sale to take place by means of sealed bids. The opening of all sealed bids shall take place in a meeting open to all bidders and the general public.

(c) It shall be the City's policy that sales of surplus property shall be awarded to the highest bidder.

(d) All surplus property auctions shall be advertised at least 30 days in advance in a newspaper of local circulation (or on the appropriate website, as noted above). Additionally, the Mayor is encouraged to advertise surplus property sales on the City's website, and with posters or notices placed in public facilities throughout the City.

(e) Prior to the sale, all City logos or other symbols are to be removed or destroyed from the items to be sold.

7. **Sale of dangerous property.** It shall be the policy of Covington to avoid the sale of surplus property that might reasonably be dangerous or hazardous to the ultimate purchaser. Dangerous or hazardous items shall include, but are not limited to, the following:

(a) Surplus firearms and other weapons. Such items may only be offered for sale to a public law enforcement agency;

(b) Explosives;

(c) Volatile or highly toxic chemicals; and

(d) Equipment and materials that cannot be operated or used safely due to obsolescence, product defect, lack of maintenance, etc.

8. **Prohibited sales.** No member of the City of Covington Board of Mayor and Aldermen shall purchase, attempt to purchase, or otherwise take possession of any item of surplus property offered for sale by the City of Covington. Any employee of the City of Covington who purchases, attempts to purchase, or otherwise takes possession of any item offered surplus property offered for sale by the City of Covington shall be subject to disciplinary action up to and including termination of employment.

9. **Distribution.** The Mayor is hereby directed to distribute a copy of this resolution to every employee of the City of Covington and in each copy of the City's employee handbook issued after the effective date of this Resolution.

10. **Effective date.** This Resolution shall take effect immediately upon its adoption by the City of Covington Board of Mayor and Aldermen, the public welfare requiring it.

APPROVED this ____ day of June, 2021.

____
MAYOR

____
RECORDER/TREASURER

SURPLUS PROPERTY NOMINATION FORM

CITY OF COVINGTON, TENNESSEE

DEPARTMENT: ______________________________

The following items are hereby nominated for designation as surplus city property pursuant to City of Covington Resolution No. _______.

Item: ____

Description: ____

Serial Number: ____

Age: __________ Estimated remaining useful life (years)_________

Purchase price: ______________

Estimated Current Value: ________________

Reasons for making the nomination: _______________________________________

____

____

____

____

____

____

____ ____________________

Signature Date

COURT
FY 2021/2022

1	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX		
2	Allowing unlicensed driver to drive		55-50-504	$10.00	$105.00	$13.75	$13.75		
3	Anti-Noise Loud Music		55-8-193	$50.00	$105.00	$13.75	$13.75		
4	Disregard Redlight		55-8-109	$10.00	$105.00	$13.75	$13.75		
5	Disgard RR Signal		55-8-109	$10.00	$105.00	$13.75	$13.75		
6	Disregard Stop Sign		55-8-109	$10.00	$105.00	$13.75	$13.75		
7	Disturb Peace with Auto			$25.00	$105.00	$13.75	$13.75		
8	Drag Racing		55-10-101	$50.00	$105.00	$13.75	$13.75		
9	Driving on Wrong Side of Road		55-8-115	$15.00	$105.00	$13.75	$13.75		
10	Failure to Report Accident		55-10-111	$50.00	$105.00	$13.75	$13.75		
11	Failure to Yield		55-8-130	$10.00	$105.00	$13.75	$13.75		
12	Failure to Yield to Blue Lights		55-8-130	$50.00	$105.00	$13.75	$13.75		
13	Follow to Close		55-8-124	$10.00	$105.00	$13.75	$13.75		
14	Going Wrong Way on a One Way Street		55-8-115	$15.00	$105.00	$13.75	$13.75		
15	Hit and Run		55-10-102	$50.00	$105.00	$13.75	$13.75		
16	Improper Backing		55-8-163	$10.00	$105.00	$13.75	$13.75		
17	Improper Control			$10.00	$105.00	$13.75	$13.75		
18	Improper Driving on Divided Highway			$25.00	$105.00	$13.75	$13.75		
19	Improper Passing		55-8-117	$10.00	$105.00	$13.75	$13.75		
20	Improper Pass School Bus		55-8-151	$50.00	$105.00	$13.75	$13.75		
21	Improper Signals for Turning		55-8-143	$10.00	$105.00	$13.75	$13.75		
22	Improper Turn		55-8-140	$10.00	$105.00	$13.75	$13.75		
23	Improper Turn Around		55-8-140	$15.00	$105.00	$13.75	$13.75		
24	Improper Turn Right or Left		55-8-140	$10.00	$105.00	$13.75	$13.75		

COURT
FY 2021/2022

25	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX		
26	Littering		39-14-502	$15.00	$105.00	$13.75	$13.75		
27	Loitering			$50.00	$105.00	$13.75	$13.75		
28	Loud Mufflers - Antinoise			$10.00	$105.00	$13.75	$13.75		
29	No Driver License		55-50-301	$20.00	$105.00	$13.75	$13.75		
30	No Motor Cycle Driver License		55-50-302	$20.00	$105.00	$13.75	$13.75		
31	No Motor Cycle Helmet			$25.00	$105.00	$13.75	$13.75		
32	Obstructing Traffic			$25.00	$105.00	$13.75	$13.75		
33	Open Container Alcohol		55-10-416	$50.00	$105.00	$13.75	$13.75		
34	Parking - Fire Lane		55-8-160	$25.00	$105.00	$13.75	$13.75		
35	Parking - Side Walk		55-8-160	$25.00	$105.00	$13.75	$13.75		
36	Parking - Restricted Zone/Area		55-8-160	$25.00	$105.00	$13.75	$13.75		
37	Parking - Handicap Zone			$50.00	$105.00	$13.75	$13.75		
38	Parking - Over			$2.00					
39	Passing - No Passing Zone		55-8-117	$15.00	$105.00	$13.75	$13.75		
40	Reckless Driving		55-10-205	$50.00	$105.00	$30.00			
41	Resisting Arrest		39-16-603	$50.00	$105.00	$13.75	$13.75		
42	Speeding - $1 Every Mile Over Limit		55-8-152		$110.00	$13.75	$13.75		
43	Speed-Guilty in Court-$1 Every Mile Over Limit		55-8-152		$110.00	$13.75	$13.75		
44	Squealing Tires			$25.00	$105.00	$13.75	$13.75		
45	Violation - Child Restraint		55-9-602	$50.00	$105.00	$13.75	$13.75		
46	Violation - Light Law		55-9-402	$10.00	$105.00	$13.75	$13.75		
47	Violation - Seat Belt Law $30/$50		55-9-603						
48	Violation - State Reg Law		55-54-101	$10.00	$105.00	$13.75	$13.75		

COURT

FY 2021/2022

49	Description	CMC	TCA	FINE	FEES	STATE TAX	LOCAL TAX		
50	Violation - Window Tint Law		55-9-107	$50.00	$105.00	$13.75	$13.75		
51	Violation - Financial Responsibility DM Current @ Time of Ticket		55-12-139	$50.00	$105.00	$13.75	$13.75		
52	Violation - Financial Responsibility - Guilty		55-12-115	$50.00	$105.00	$13.75	$13.75		
53	Violation - Financial Responsibility - Obtained after CT & Ticket Dismiss		55-12-140						
54	Pedestrian			$25.00					
55	Profanity			$25.00					
56	Contempt of Court	3-205		$50.00					
57	Appeal Bond to Circuit Court -	3-402							
58	Dissatisified with City Court judgement								
59	Fireworks	561		$50.00	$105.00	$13.75	$13.75		
60	Bumper Law	564		$10.00	$105.00	$13.75	$13.75		
61	Heavy Trucks			$50.00					
62	Towed Vehicles			Actual Cost					
63	Releasing immobilized vehicle				$50.00				
64	Hands free law (cell phone)		5-58-199	$50.00	$10.00				
65	E-Citation&Written-Sunset Provision 7-1-2026		55-10-207		$5.00				
66	Continuation Fee				$10.00				
67									
68									
69									
70									
71									

Police Department
FY 2021/2022

1	Description			Fee	
2					
3	Reports accident/incident		As allowed per TCA 10-7-503		
4					
5	**Seized Vehicles**				
6	Impounding Fee			Impounding fee shall be equal to the wrecker service fee for towing the vehicle	
7	Daily Storage Fees			$40.00	
8					
9					
10					
11					
12					
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18					