

**Open Work Session
American Rescue Plan Interim Report
September 7, 2021**

Mrs. Pam Oland, Director of Finance, and Mr. John Psota, Acting County Executive, came before Council. Mrs. Oland said Council requested to see the interim report, which they have provided, but the federal government is changing their requirements. She clarified, even after they submitted this report, the federal government changed their requirements and basically told the County that they are viewing the number as a preliminary number, but they are allowed to change it, especially the numbers associated with lost revenue. She said after this they will report on a quarterly basis, and their understanding is that they are supposed to show anything they have obligated and/or spent. She said, as of July 31 they had not spent anything but had obligated funds based on money approved in the budget to spend primarily within the requirement to help fund Tourism. She said they had some purchase orders for equipment for the Tourism Department, and that is the \$100,000 that Council will see on the schedules. She said, otherwise, they will continue to file the reports on a timely basis, and they continue to get guidance from the government, but the government originally said the final guidance would be issued in June, and it is now September and they have not yet issued the final guidance, this is still interim guidance.

Mrs. Acle said, when she and Mr. Dodd were at the NACO Conference, other Counties shared that they did quite a bit of community outreach for input on how these funds should be spent, and she wonders if they are planning to do anything like that, to which Mrs. Oland responded, at this point they have not put that in place. She said they are trying to be as conservative as possible because, again, they filed the report on the 27th but by the 30th they were given additional information, so because the guidance is constantly changing, they are being conservative in their approach to these funds.

Mr. Psota said they are being extremely cautious on the use of the American Rescue Plan funds. He said, again, as a reminder, it is two tranches for a total of just over \$20 million, \$10 million this year and \$10 million next year. He said, even though the emergency was released in July, they are still in a pandemic and still incurring costs, and the intent of the American Rescue Plan is to mitigate the cost of lost revenue due to COVID. He said, in addition, their guidance continues to evolve on how they can spend it. He clarified, they are aware of other Counties using it for other uses, but they want to make sure they do it correctly as there is an auditing that will be down the road, so they want to make sure they are good for that. He said the funds need to be obligated by December 2024 and spent by December 2026, so as they continue to experience revenue loss due to COVID and everything involved therein, they want to make sure they are planning for the future and use this as fiscally responsible as possible.

Mr. Dodd asked what the changes were that Mrs. Oland mentioned, to which Mrs. Oland responded, they did not even put the full \$10 million in the budget, so it is going to change, but the guidance is still changing. She said, by not spending the money quickly, this allows them to digest all the guidance. She said she understands there are a lot of people who want this money to go out the door fast, but she has concerns, and the guidance is a perfect example. She clarified, they changed the guidance on the day the report was due when they had already filed their report, and luckily she does not feel they filed anything in error, but it leads her to believe they should take measured steps in how they spend this.

Mrs. Acle said she was just looking on the Wicomico Board of Education's website and they have the American Rescue Plan application, review, and feedback, so she can actually look at what their plan is

and citizens can leave comments. She said she just thought that was an interesting way to get public input on how the money is spent, to which Mrs. Oland responded, they will look into that.

Mr. Cannon said there are about 60 different line items, but the County only appears to have addressed three, and he really thought there would be a lot more in here, to which Mrs. Oland responded, again, they potentially budgeted about \$4 million in their budget, and the only things they have obligated are things they have purchase orders on. She said the guidance they had when they filed was what revenue they had lost as of July 31 that they were planning to apply to this, and that is one number they put in here, and the other number is the Tourism number. She said, again, they are not planning to hit all 60 categories because that would mean the funding would not go very far in each of the categories. She said they are trying to find the categories that make the most fiscal sense for them as a County and that have the impact they feel is appropriate and make sure they are following the guidance.

Mr. Cannon asked, what specifically is provision of government services for \$95,000, to which Mrs. Oland responded, they were losing money in traders licenses. She said because their revenue cap means that their revenue could only go up by 1.4 percent, the pandemic actually impacted the cost of living adjustment. She said they have lost revenue related to the inmates because they cannot send them out on work crews as they have previously done. She said they also have lower admissions and amusement tax, and they have lost interest income because the economy has kept the interest rate really low. She said those five things were estimated to be in their budget and are pretty much prorated across the year, so that added up to over \$1 million, and basically 1/12 of that is the \$94,000.

Mr. Cannon said, under the idea of goals, what would they say are the next two or three goals they think would be beneficial to begin with, to which Mrs. Oland responded, the highest priority is the next item on the Council Agenda – premium pay for eligible workers.

There was no further discussion.


Larry W. Dodd, President, District 3

Joe Holloway, Vice President, District 5



John T. Cannon, At-Large



William R. McCann, At-Large



Ernest F. Davis, District 1



Nicole Acle, District 2

Josh Hastings, District 4



Laura Hurley, Council Administrator