



Legislation Text

File #: RES 22-939, **Version:** 1

Authorizing the City to transfer \$20,000,000 of American Rescue Plan funds to a specific account for City Payroll.

WHEREAS, since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 85 million and killed over 1 million Americans and impacted every part of life; and

WHEREAS, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began; and

WHEREAS, amid this crisis the City of Saint Paul (the City) has been called on to respond at an immense scale; and

WHEREAS, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President of the United States; and

WHEREAS, the ARPA established the Coronavirus Local Fiscal Recovery Fund, intended to provide support to local governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in communities, residents, and businesses; and

WHEREAS, from the Local Fiscal Recovery Fund the U.S. Department of Treasury is distributing \$45.8 billion to metropolitan cities, of which the City's allocation totals \$166,641,623; and

WHEREAS, in May 2021, the City received the first half of its ARPA Local Fiscal Recovery Fund allocation of \$83,320,812; and

WHEREAS, in June 2022, the City received the second half of its ARPA Local Fiscal Recovery Fund allocation of \$83,320,812; and

WHEREAS, according to the ARPA, the Local Fiscal Recovery funds may be used for the following expenses and must be obligated by December 31, 2024 and spent by December 31, 2026:

- 1) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- 2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- 3) 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
- 4) To make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, to provide government services, the City identified the following need that meets the ARPA eligibility criteria, for a total of \$20,000,000:

1. City Payroll: \$20,000,000

WHEREAS, pursuant to Section 10.07.4 of the City Charter, the Mayor recommends the transfer of unencumbered ARPA appropriations between departments as outlined in the attached financial analysis, which is consistent with the City's plan to shift ARPA funds to project-specific accounts for spending and ensure alignment with actual spending needs; now therefore, be it

RESOLVED, that the City Council of Saint Paul does hereby:

1. Authorize the City to transfer ARPA funds from project-specific accounts and from expenditure accounts in alignment with actual spending needs;
2. Authorize the appropriate City Officials to amend the budget as described in the attached financial analysis; and
3. Authorize City staff to take all other actions necessary to carry out this Resolution.

See Attachment.