Legislation Text

File #: RES PH 24-137, **Version:** 2

Authorizing the City to amend project budgets from Grant Fund to Special Fund.
WHEREAS, since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected more than 97.5 million and killed more than 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, 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 with the following requirements;

Quarterly Budget Updates

- The Office of Financial Services shall provide regular updates on programmatic expenditures on a quarterly basis. These updates must include detailed reports on actual expenditures versus budgeted amounts for each project.
- The quarterly updates are to be submitted within 30 days following the end of each fiscal quarter.

Year-End Report:

- In addition to the quarterly updates, the Office of Financial Services shall prepare a year-end report detailing all programmatic expenditures for the fiscal year.
- This report must include a summary of the work completed in the prior year, the total expenditures over that period, an analysis of budget variances, and any significant financial issues or observations.
- The year-end report for each fiscal year must be delivered no later than ~~January~~ July 31 of the following year.
- The final year-end report, covering the fiscal year 2026, shall be delivered by ~~January~~ July 31, 2027.

Duration and Funding Expiration:

- These reporting requirements shall remain in effect through the end of 2026, with the final report due in ~~January~~ July 2027.
- The funding associated with these projects is intended to expire at the end of the fiscal year 2026.
- Any unspent funds or financial commitments extending beyond the expiration date must be addressed and resolved prior to the end of 2026.

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.

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