



Legislation Details (With Text)

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File created: 11/29/2021 **In control:** City Council

On agenda: 12/7/2021 **Final action:**

Title: Consider Resolution Accepting American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1 - Resolution accepting ARPA Dec 2021, 2. 2 - Resolution 2021-073, 3. 3 - Resolution 2021-065, 4. 4- Staff Memo 21-469 Create Committee

Date	Ver.	Action By	Action	Result
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City Council Meeting Date: December 7, 2021

To: Mayor and City Council
City Administrator

From: Brenda Angelstad, Finance Director

Consider Resolution Accepting American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds.

Action Requested:

The Northfield City Council approves the attached Resolution formally accepting American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds.

Summary Report:

The City of Northfield received an additional American Plan Act (ARPA) distribution of \$35,937.76 on November 23, 2021. As noted below, Cities were required to request funding to be eligible. However, some Cities chose not to request funds and those funds were re-allocated and distributed to eligible government entities in November. The August memo accepting the first distribution is included below for further background.

Previous Memo to accepting initial distribution of funds on August 17, 2021.

Cities are required to request funding to be eligible for American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds. This has been completed by the City of Northfield. A resolution accepting these funds is another requirement of ARPA.

Background on the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund

The City Council is being asked to officially accept the American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds. The ARPA Coronavirus Local Fiscal Recovery Funds provide \$130 billion for local

governments split evenly between municipalities and counties. The Coronavirus Local Fiscal Recovery Fund will provide \$19.53 billion to support tens of thousands of non-entitlement units of local government, which are local governments typically serving a population under 50,000.

Treasury is launching this much-needed relief to meet the following objectives:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control; and
- Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs; and
- 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.

The 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, and more equitable economy as the country recovers. Recipients may use these funds to:

- *Support public health expenditures*, by, for example, 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 and will bear the greatest health risks because of their service in critical infrastructure sectors
- *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, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities.

City of Northfield Use of Funds

The City Council has the authority to determine the use of these funds. The Council created a structure for a committee that will be advisory to the City Council along with City staff. See attached information related to the committee. Mayor Pownell appointed members to the Committee on August 17, 2021, however, to date the Committee has not met. There will be scheduling occurring in December related to calling the meeting to meet.

Alternative Options:

None. This is a requirement to receive the funds.

Financial Impacts:

The City of Northfield is expected to receive \$2,195,324.46 is the estimated total ARPA Coronavirus Local Fiscal Recovery Funds allocation to the City pursuant to the ARPA (“Allocation”) with remaining funds expected to be received in 2022. The City has received \$1,097,428.33 pursuant to the ARPA (“Allocation”) on July 27, 2021. The 2nd half distribution of the funds are anticipated to be available beginning in May of 2022. The 2nd half will not be distributed earlier than 12 months of after the first distribution.

Tentative Timelines:

The timeframe for using the funds begins March 3, 2021 and the deadline for spending is Dec. 31, 2024