

AUTHORIZING THE APPROPRIATION OF AMERICAN RESCUE PLAN ACT FUNDS TO PAY FOR GENERAL GOVERNMENTAL SERVICES TO THE EXTENT OF LOST REVENUES AND EMPLOYEE WORKERS COMPENSATION AND MEDICAL EXPENSES DUE TO THE COVID-19 VIRUS

WHEREAS: on March 11, 2021 the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program which is intended to provide support to State, territorial, local and tribal governments in response to the economic and public health impacts of COVID; and

WHEREAS: the U.S. Department of Treasury has issued Compliance and Reporting Guidance which outlines each recipient’s compliance and reporting responsibilities under the SLFRF program; and

WHEREAS: the U.S. Department of Treasury’s Final Rule, published on January 6, 2022, and effective April 1, 2022, clarifies that recipients can use SLFRF funds on governmental services up to the revenue loss amount calculated using the Final Rule four-step process; and

WHEREAS: some common examples of “government services” expressly recognized by Treasury are as follows:

- Road building and maintenance, and other infrastructure
- Health services
- General government administration, staff, and administrative facilities
- Environmental remediation
- Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)
- Maintenance or pay-go funded building infrastructure
- Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure

WHEREAS: “Government services is [deemed by Treasury] the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements;” and

WHEREAS: the intention of ARPA is for the funding to be actually spent, not banked, to avoid layoffs and stimulate the economy. City staff has developed a number of potential projects that might qualify under this continuation of services and revenue loss category for consideration; and

WHEREAS: consistent with U.S. Department Treasury guidance the City of Saginaw has performed revenue replacement calculations, which indicate a City revenue loss of \$6,126,945 for Fiscal Year 2020 and \$6,578,857 for Fiscal Year 2021 based upon the comparison of the base Fiscal Year 2019. Fiscal Year 2022 and Fiscal Year 2023 will be further evaluated and a calculation performed. The four year total revenue loss is currently

estimated at \$25,000,000. A copy of the cost revenue calculation is attached as Addendum A; and

WHEREAS: the U.S. Department of Treasury’s Final Rule also states that ARPA funds may be used in the response to Public Health and the Negative Economic Impacts of COVID-19; and

WHEREAS: the City of Saginaw incurred employee medical expenses of \$561,057 and workers compensation claims of \$803,197 due to employee exposure to COVID -19.

NOW, THEREFORE, BE IT RESOLVED:

1. The City Manager, Finance Director, and the Director of the Office of Management and Budget are authorized to allocate \$25,000,000, representing City lost revenue, from the American Rescue Plan Fund to compensate the City for lost revenue and to fund government services traditionally provided.

2. Projects paid for with these funds serve the objectives of the Act by providing services traditionally provided by a government, namely:

- Police protection
- Fire and emergency medical services
- Road repair, maintenance and other transportation and safety services
- Public infrastructure support
- General government administration and administrative facilities
- Land use regulations and enforcement
- Parks and recreational facilities and programs

Accordingly, the Projects paid for with these funds are in the best interest of the City of Saginaw and are deemed a priority for the community.

BE IT FURTHER RESOLVED:

1. The City Manager, Finance Director, and the Director of the Office of Management and Budget are authorized to allocate \$561,057 from the American Rescue Plan Act Funds to cover employee medical expenses caused by the COVID-19 virus, and \$803,197 to cover worker’s compensation costs of those city employees as part of the City’s response to the public health & negative economic impact of COVID-19.

Ayes:
Nays:
Absent:

RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on April 18, 2022; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, MiPMC/MMC
City Clerk