



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2021-36

City Council

6/17/2021

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2021-36 - APPROPRIATING FUNDING IN RELATION TO THE AMERICAN RESCUE PLAN ACT (ARPA) FOR (1) THE RECOVERY OF REVENUE LOSS, (2) GRANT COMPLIANCE AND ADMINISTRATION AND (3) FACILITY IMPROVEMENTS

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2021-36.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

At the May 24, 2021 City Council workshop, a presentation was given by staff regarding a draft expenditure plan for the American Rescue Plan Act (ARPA). The ARPA is a \$1.9 trillion economic stimulus bill and within ARPA, the Coronavirus Local Fiscal Recovery Fund provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$130 billion for local governments. The City of Pensacola is scheduled to receive \$19,153,643 from the Coronavirus Local Fiscal Recovery Fund. The draft expenditure plan included six (6) spending categories. Appropriations for three (3) of these categories is being requested while City Council approves a plan to spend the remaining funds. The three (3) categories are as follows:

Recovery of Revenue Loss. The ARPA allows revenue replacement 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 fiscal year prior to the emergency. Finance has calculated the revenue loss based on guidance from the Department of Treasury and selected funds which revenues were hardest hit by the COVID-19 pandemic. These funds include the City's General Fund, Local Option Gasoline Tax Fund, Stormwater Utility Fund, Parking Management Fund, Recreation Fund, Community Maritime Park Management Fund and Local Option Sales Tax Fund. In addition to these funds, revenue replacement for losses at the Saenger Theater would be set aside to fund revenue losses due to the COVID-19 pandemic. Losses associated with the Parking

Management Fund, Recreation Fund and Community Maritime Park Management Fund would be transferred directly to those funds in order to provide for current cash needs.

Grant Compliance and Administration. The ARPA allows the use of funds to cover the portion of payroll and benefits to employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative impacts. Employee time spent on grant compliance and administration will be charged to the grant. In addition, should the City need to hire staff to administer programs developed by this funding, funds would be available to do so.

Facility Improvements. The ARPA allows the use of funds for COVID-19 mitigation and prevention such as building ventilation improvements in key public locations and adaptations to public buildings to implement COVID-19 mitigation tactics. Planned facility improvements at the City will include adding UV air handlers at various City facilities, reconfiguring nurse stations located at the City hall, reconfigure council chambers to allow for social distancing and improving audio, video and phone services to allow for a better virtual interaction for the public.

This appropriation will help keep those funds hit hardest by loss revenues whole as well as allow the City to move forward with key projects to help mitigate the spread of COVID-19. The remaining \$12,749,003 in unappropriated ARPA funding will be appropriated once City Council approves a spending plan.

PRIOR ACTION:

None

FUNDING:

Funding

Source: \$ 6,674,640 Coronavirus Local Fiscal Recovery Fund

Actual: \$ 4,559,640 Recovery of Revenue Loss

450,000 Grant Compliance and Administration

1,665,000 Facility Improvements

Total \$ 6,674,640

FINANCIAL IMPACT:

Adoption of the Supplemental Budget Resolution will appropriate the funds for the grant in the American Rescue Plan Fund as well as the transfer of loss revenues to the Parking Management Fund, Recreation Fund and Community Maritime Park Management Fund.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

6/3/2021

STAFF CONTACT:

Keith Wilkins, City Administrator

Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2021-36
- 2) Supplemental Budget Explanation No. 2021-36

PRESENTATION: No