City of North St. Paul
City Council
Workshop Agenda

May 18, 2021
5:00 PM

The City Council workshop will be conducted on Tuesday, **May 18, 2021** at 5:00 p.m. The meeting location is the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

The City Council workshop will also be meeting on interactive TV under Minn. Stat. 13D.02. Members of the public are permitted to attend the meeting in person, however, it is strongly encouraged to participate in the meeting remotely. Instructions can be found below.

The **May 18, 2021 Zoom meeting can be accessed via:** https://us02web.zoom.us/j/84409094358?pwd=bEhid2pNREtCcXdHZDhHK2Y5SUk4dz09

(**from a PC, Mac, tablet, iPhone or Android device)**
Meeting ID: 844 0909 4358
Password: 041469
or by phone at 1-929-205-6099, **meeting ID 844 0909 4358, password 041469.**

The City Council Zoom meeting will be ‘open to the public to listen in but will be muted from contributing at all times with the exception of a Public Hearing and open to the public forum.

Please join the meeting early to test your audio and video settings. If you join via a device and your audio is not working, you may need to use the dial-in phone number option in order to be heard.

I. **Call to Order**

II. **Roll Call**
Council Member Thorsen
Council Member Petersen
Council Member Cole
Council Member Wong
Mayor Furlong

III. **Adopt Agenda**

IV. **Topics**
A. 2022 Tax Levy and Budget Goal Setting
B. Review of the North St. Paul Housing & Redevelopment Authority and Ramsey County's Request to Levy
C. American Rescue Plan Act (ARPA) / State and Local Fiscal Recovery Funds (FRF)

D. Amended Investment Policy

E. Financial Transparency Reporting

V. Other Business

VI. Adjournment

The next regularly scheduled City Council meeting is June 1, 2021.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Furlong and City Council	May 18, 2021

Agenda Placement # IV.A

Topics

Subject

2022 Tax Levy and Budget Goal Setting

Background/Facts

After thoughtful consideration and reflection on the prior year's budgeting process, the City Manager has decided to pilot an approach that engages the City Council during the planning phase, in pursuit of direction, before active participation is required at the department head level. This process will initially focus on funds that are supported by Tax Dollars/Local Government Aid (This will exclude utility and internal service funds). Based on Council feedback, this approach may be used for the budgeting of all other funds.

In all, the City Manager seeks to present a budget that is a fiscally responsible plan that strikes a balance between the needs of the organization and the interest of the taxpayer. As we begin this process, the following budgetary principals will continue to serve as a guide:

- Making budget decisions acknowledging both the short and long-term impacts
- Stabilizing revenues and expenditures, and eliminating unanticipated variances
- Funding operations at a level to provide quality services at a reasonable cost
- Maintaining structural balance and appropriate fund balance levels
- Considering additional investments when they help achieve City's goals and provide a significant return to the community
- Seeking to make a connection between resources and results

The preliminary budget has been presented to begin dialog about the use of City resources and the alignment of these resources with City Council's goals & objectives. Because this planning document is being prepared in early May, many assumptions have been made based on trends in prior year financial performance. Many factors may impact the final budget, including legislative changes, state mandates, and the current public health emergency.
Also new for the 2022 budget, staff has used OpenGov to create an interactive "story" to provide a transparent outline of the budgeting process. This comprehensive document includes narratives and charts relating to historical budgets, levies, and market values.

Attachments

None

Respectfully submitted,

Jason Zimmerman, Finance Director

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Furlong and City Council	May 18, 2021

Agenda Placement # IV.B

Topics

Subject

Review of the North St. Paul Housing & Redevelopment Authority and Ramsey County's Request to Levy

Background/Facts

The North St. Paul Housing & Redevelopment Authority (HRA) was established on May 17, 1971 for the purpose of supporting current and prospective homeowners through affordable housing projects, redevelopment, and revitalization of blighted properties. It is a legally separate organization from the City of North St. Paul (City) with an independent taxing authority. The governing body consists of City Council members, with management of the City having operational responsibility of the HRA. Goals of the HRA include:

- Foster, promote, and effectively communicate the advantages of living in North St. Paul.
- Coordinate efforts to preserve existing neighborhoods.
- Create and maintain high quality, sustainable single and multi-family housing options.
- Prevent and eliminate blight on individual properties, neighborhoods and the entire community.
- Retain and attract desirable housing that leads to investment and commitment to the community.

Since 2006, with the approval of the Mayor and City Council, the HRA has levied a tax upon all taxable property within the City of North St. Paul pursuant to Minnesota Statutes § 469.033, subd. 6. The amounts collected from the levy have been used by the HRA to fund the Goals stated above. As of April 30, 2021 the HRA has a cash balance of $31,539.

Through purchases and land swaps, the HRA currently owns sixteen parcels with a cost of $1,078,376 and an assessed value per the Ramsey County Assessor of $1,578,300. Note that differences from the cost and assessed value are due to market value increases since the parcels were purchased, recent improvements to the parcels that have yet to be reflected in the assessed value, and past lot splits. The sixteen parcels are to be used for the Student Built Home program, future land swaps, promote large scale development, and other housing development opportunities.

The HRA funded a Home Loan Program that has since been discontinued. As of April 30, 2021, there are 7 remaining loans totaling $84,511 which will be serviced until they mature. The HRA uses the Community Reinvestment Fund, a non-profit loan administrator, to manage these loans. The Home Loan Program was used to provide low-to-zero interest loans to assist current homeowners with various housing improvements including energy efficiency projects and rehabilitation of properties.

The Student Built program is a partnership between the HRA, Northeast Metro 916 Career and Technical Center, and the Saint Paul College Cabinetmaking Program. The program targets severely distressed and nuisance properties to better the quality of housing stock, give students the opportunity to explore career paths in the construction and building trades, and add to the tax base. The constructed homes are designed to complement existing homes within the neighborhood and are sold at market value.

Since 2008, the Student Built program has rehabilitated and sold ten houses. Currently there are two student built homes in progress at 2198 2^{nd} Street and 2487 19^{th} Avenue. The typical home takes between 3 and 4 years from acquisition to design, demo, construct and sell. Along with the rehabilitation of blighted property, the HRA has net projected proceeds of $109,108, including $52,755 of actual proceeds from homes sold.

Now in addition to our local North Saint Paul HRA, Ramsey County is seeking our approval to Levy North Saint Paul Property Owners for a Ramsey County HRA Program.
The County Levy would be in addition to our current HRA Levy.

Staff is seeking your direction on Ramsey County's request.

Attachments

1. U.S. Census Bureau Quick Facts
2. HRA Historical Tax Levy
3. HRA Current Land Listing
4. HRA Loan Program Summary
5. HRA Student Built Activity Summary
6. NSP query
7. HRA Levy Fact Sheet_21
8. DRAFT Resolution_0303

Respectfully submitted,

Kari Erpenbach, Communications

United States Census Bureau

QuickFacts

North St. Paul city, Minnesota; Minnesota

QuickFacts provides statistics for all states and counties, and for cities and towns with a ***population of 5,000 or more***.

Table

All Topics	North St. Paul city, Minnesota	Minnesota
Population estimates, July 1, 2019, (V2019)	**12,506**	**5,639,632**
PEOPLE		
Population		
Population estimates, July 1, 2019, (V2019)	**12,506**	**5,639,632**
Population estimates base, April 1, 2010, (V2019)	11,460	5,303,927
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	9.1%	6.3%
Population, Census, April 1, 2010	11,460	5,303,925
Age and Sex		
Persons under 5 years, percent	10.2%	6.2%
Persons under 18 years, percent	22.7%	23.1%
Persons 65 years and over, percent	14.3%	16.3%
Female persons, percent	49.4%	50.2%
Race and Hispanic Origin		
White alone, percent	69.9%	83.8%
Black or African American alone, percent (a)	8.7%	7.0%
American Indian and Alaska Native alone, percent (a)	0.2%	1.4%
Asian alone, percent (a)	12.5%	5.2%
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.0%	0.1%
Two or More Races, percent	6.2%	2.6%
Hispanic or Latino, percent (b)	6.0%	5.6%
White alone, not Hispanic or Latino, percent	66.8%	79.1%
Population Characteristics		
Veterans, 2015-2019	680	300,044
Foreign born persons, percent, 2015-2019	7.4%	8.5%
Housing		
Housing units, July 1, 2019, (V2019)	X	2,477,753
Owner-occupied housing unit rate, 2015-2019	67.2%	71.6%
Median value of owner-occupied housing units, 2015-2019	$206,100	$223,900
Median selected monthly owner costs -with a mortgage, 2015-2019	$1,599	$1,580
Median selected monthly owner costs -without a mortgage, 2015-2019	$545	$534
Median gross rent, 2015-2019	$988	$977
Building permits, 2019	X	28,586
Families & Living Arrangements		
Households, 2015-2019	4,808	2,185,603
Persons per household, 2015-2019	2.56	2.49
Living in same house 1 year ago, percent of persons age 1 year+, 2015-2019	90.9%	85.9%
Language other than English spoken at home, percent of persons age 5 years+, 2015-2019	15.8%	11.9%
Computer and Internet Use		
Households with a computer, percent, 2015-2019	93.7%	91.6%
Households with a broadband Internet subscription, percent, 2015-2019	89.2%	84.8%
Education		
High school graduate or higher, percent of persons age 25 years+, 2015-2019	90.7%	93.1%
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	27.3%	36.1%
Health		
With a disability, under age 65 years, percent, 2015-2019	12.1%	7.3%
Persons without health insurance, under age 65 years, percent	3.9%	5.8%
Economy		
In civilian labor force, total, percent of population age 16 years+, 2015-2019	68.0%	69.6%
In civilian labor force, female, percent of population age 16 years+, 2015-2019	62.6%	65.9%
Total accommodation and food services sales, 2012 ($1,000) (c)	6,971	11,722,627

Total health care and social assistance receipts/revenue, 2012 ($1,000) (c)	41,199	40,403,572
Total manufacturers shipments, 2012 ($1,000) (c)	D	123,076,309
Total merchant wholesaler sales, 2012 ($1,000) (c)	D	104,485,117
Total retail sales, 2012 ($1,000) (c)	86,810	78,898,182
Total retail sales per capita, 2012 (c)	$7,423	$14,667
Transportation		
Mean travel time to work (minutes), workers age 16 years+, 2015-2019	26.5	23.7
Income & Poverty		
Median household income (in 2019 dollars), 2015-2019	$64,722	$71,306
Per capita income in past 12 months (in 2019 dollars), 2015-2019	$31,451	$37,625
Persons in poverty, percent	10.3%	9.0%

BUSINESSES

Businesses		
Total employer establishments, 2019	X	151,495
Total employment, 2019	X	2,729,420
Total annual payroll, 2019 ($1,000)	X	153,756,494
Total employment, percent change, 2018-2019	X	0.0%
Total nonemployer establishments, 2018	X	416,487
All firms, 2012	948	489,494
Men-owned firms, 2012	540	268,710
Women-owned firms, 2012	346	157,821
Minority-owned firms, 2012	104	47,302
Nonminority-owned firms, 2012	826	428,716
Veteran-owned firms, 2012	166	45,582
Nonveteran-owned firms, 2012	749	419,628

GEOGRAPHY

Geography		
Population per square mile, 2010	4,023.9	66.6
Land area in square miles, 2010	2.85	79,626.74
FIPS Code	2747221	27

About datasets used in this table

Value Notes

Estimates are not comparable to other geographic levels due to methodology differences that may exist between different data sources.

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info icon to th
row in TABLE view to learn about sampling error.

The vintage year (e.g., V2019) refers to the final year of the series (2010 thru 2019). *Different vintage years of estimates are not comparable.*

Fact Notes

- **(a)** Includes persons reporting only one race
- **(c)** Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data
- **(b)** Hispanics may be of any race, so also are included in applicable race categories

Value Flags

- **-** Either no or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest or upper in open ended distribution.
- **F** Fewer than 25 firms
- **D** Suppressed to avoid disclosure of confidential information
- **N** Data for this geographic area cannot be displayed because the number of sample cases is too small.
- **FN** Footnote on this item in place of data
- **X** Not applicable
- **S** Suppressed; does not meet publication standards
- **NA** Not available
- **Z** Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and F
Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

North St. Paul Housing & Redevelopment Authority
Historical Tax Levy

Resolution	Collect Year	Amount Levied	Levied % of MV	Amount Collected	% of Levied
2020-143	2021	188,456.00	0.0185%	-	0.00%
2019-159	2020	170,172.00	0.0185%	168,238.72	98.86%
2018-152	2019	159,419.00	0.0185%	155,898.82	97.79%
2017-113	2018	152,040.00	0.0185%	149,556.12	98.37%
2016-129	2017	143,812.00	0.0185%	143,318.57	99.66%
2015-122	2016	120,000.00	0.0154%	124,350.47	103.63%
2014-139	2015	112,524.00	0.0185%	107,537.29	95.57%
2013-151	2014	112,524.00	0.0185%	111,217.32	98.84%
2012-126	2013	110,113.00	0.0144%	108,984.74	98.98%
2011-147	2012	110,615.00	0.0144%	106,435.00	96.22%
HRA Res. 2010-004	2011	114,453.00	0.0144%	106,651.06	93.18%
HRA Res. 2009-004	2010	123,456.00	0.0144%	115,593.84	93.63%
HRA Res. 2008-002	2009	133,035.00	0.0144%	126,578.21	95.15%
HRA Res. 2007-007	2008	138,447.00	0.0144%	130,711.02	94.41%
HRA Res. 2006-002	2007	135,766.00	0.0144%	121,289.73	89.34%

Data prior to the 2006 levy not available.

North St. Paul Housing & Redevelopment Authority
Current Land Listing
As of April 30, 2021

ID	Parcel Number	Address	Project Number	Current Cost	Assessed Value
101-002	01.29.22.33.0125	2329 17th Ave		145,958.00	484,200.00
101-005	14.29.22.13.0099	2007 6th Street North-lot split 2001 6th-value in 2017		-	39,500.00
101-008	12.29.22.42.0113	2393 Margaret Street North	Proj 311	179,474.22	179,800.00
101-009	12.29.22.42.0110	2377 Margaret Street North	Proj 315	202,376.68	188,800.00
101-011	12.29.22.34.0077	2198 2nd Street North	Proj 317	267,178.14	56,000.00
064-008	12.29.22.33.0018	0 3rd St N		-	44,400.00
064-009	12.29.22.33.0017	0 3rd St N		23,000.00	29,400.00
064-010	12.29.22.33.0016	0 3rd St N		23,000.00	29,400.00
064-011	12.29.22.33.0015	0 3rd St N		23,000.00	29,400.00
064-012	12.29.22.33.0014	0 3rd St N		23,000.00	29,400.00
064-013	12.29.22.33.0013	0 3rd St N		23,000.00	29,400.00
064-014	12.29.22.33.0012	0 3rd St N		23,000.00	29,400.00
064-015	12.29.22.33.0054	0 3rd St N		45,482.60	58,800.00
064-003	12.29.22.42.0112	2385 Margaret Street		-	39,600.00
064-007	12.29.22.42.0018	2579 7th Ave E (old medical center)		-	120,000.00
101-012	01.29.22.34.0013	2487 19th Avenue East	Proj 318	99,906.71	190,800.00
		Total		**1,078,376.35**	**1,578,300.00**

NORTH ST.PAUL
extraordinary.

North St. Paul Housing & Redevelopment Authority
Loan Program Summary
As of April 30, 2021

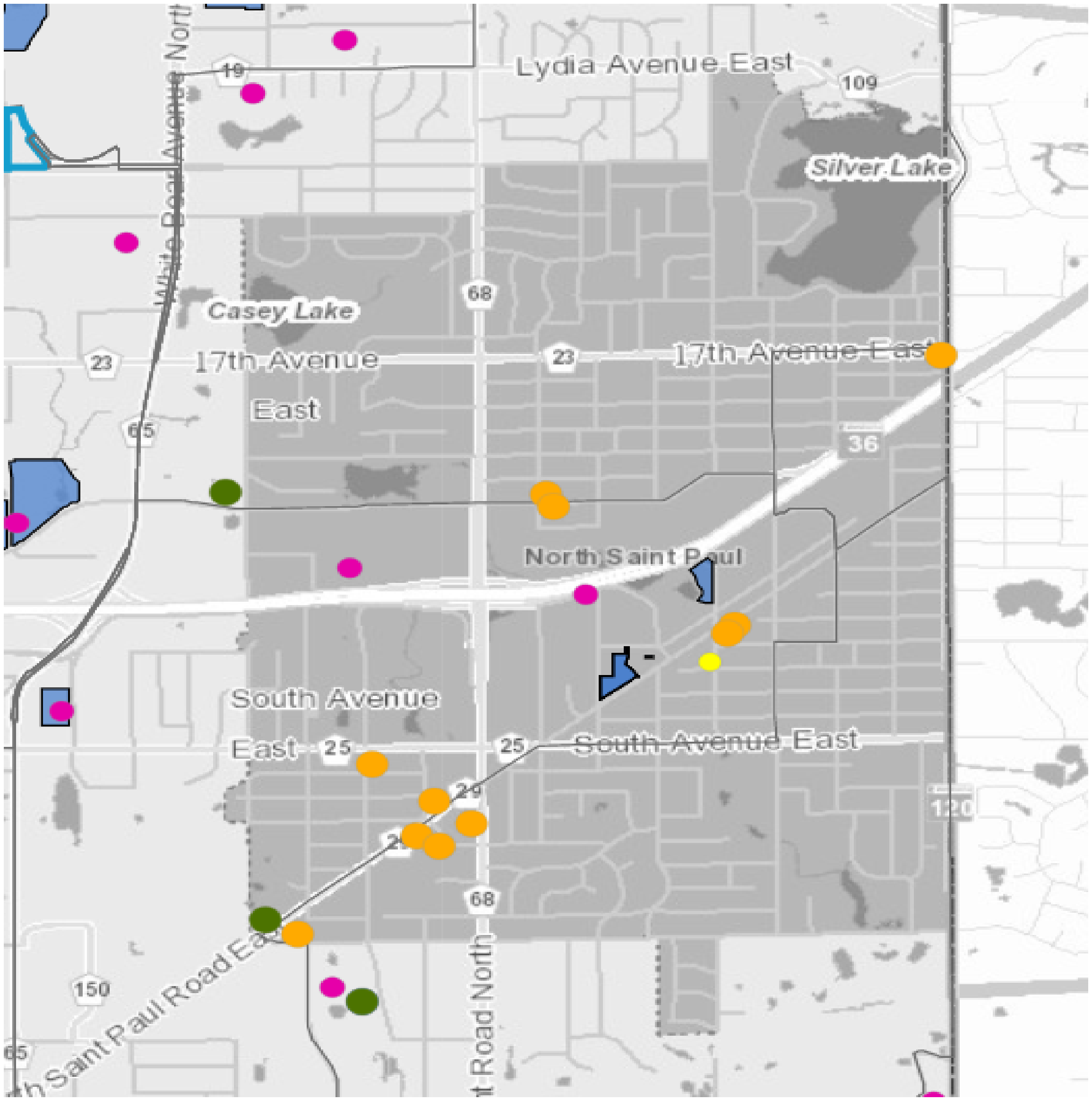
Contract Number	Loan Number	Open	Mature	Last Payment	Interest Rate	Original Principal	Current Principal	Current Interest	Deferred Interest	Late Fees	Fees	Past Due Days	Balance
Revolving Zero Interest Loans													
00001190271	0000119027	08/01/2016	08/01/2036	12/09/2020	3%	25,000.00	19,583.56	27.36	0.00	0.00	0.00	0	19,610.92
00001193301	0000119330	12/14/2016	01/01/2037	12/30/2020	3%	13,190.82	10,977.75	3.61	0.00	0.00	0.00	0	10,981.36
Total Revolving Zero Interest Loans						38,190.82	30,561.31	30.97	0.00	0.00	0.00	0.00	30,592.28
Non-Interest Deferred Loans													
00001189291	0000118929	06/06/2016	06/06/2046		0%	3,200.00	3,200.00	0.00	0.00	0.00	0.00	0	3,200.00
Total Non-Interest Deferred						3,200.00	3,200.00	0.00	0.00	0.00	0.00	0.00	3,200.00
Home Improvement Loans													
00000024792	0000121241	09/20/2019	10/01/2039	12/15/2020	3%	12,680.02	11,976.02	25.59	0.00	0.00	0.00	0	12,001.61
00000024973	0000121397	10/24/2019	11/01/2029	12/04/2020	3%	9,175.00	8,024.69	12.54	0.00	4.43	0.00	0	8,041.66
00000053424	0000121810	07/20/2020	08/01/2040	12/02/2020	3%	21,045.00	19,589.69	46.69	0.00	0.00	0.00	0	19,636.38
00000054112	0000121887	09/30/2020	10/01/2040	12/28/2020	3%	11,278.79	11,031.38	4.53	0.00	3.13	0.00	0	11,039.04
Total Home Improvement						54,178.81	50,621.78	89.35	0.00	7.56	0.00	0.00	50,718.69
Grand Total						95,569.63	84,383.09	120.32	0.00	7.56	0.00	0.00	84,510.97

Information above provided by Community Reinvestment Fund, NSP's 3rd party loan administrator

North St. Paul Housing & Redevelopment Authority
Student Built Program
Activity Summary

Internal Project Code	Property Location	2018 & Prior Actual	2019 Actual	2020 Actual	Anticipated 2021	Total	Anticipated 2021 Sales	Anticipated 2022 Sales	Sale Price	Gain / Loss	Notes
NA	2505 14th Ave	241,365	-	-	-	241,365	-	-	315,000	73,635	Sold 3/10/2010; No labor cost data available 2011 & Prior
NA	2536 19th Ave	273,430	-	-	-	273,430	-	-	259,900	(13,530)	Sold 10/3/2010; No labor cost data available 2011 & Prior
NA	2297 Holloway	184,041	-	-	-	184,041	-	-	209,803	25,762	Sold 12/20/2011; No labor cost data available 2011 & Prior
NA	2768 Helen St	231,411	-	-	-	231,411	-	-	295,002	63,591	Sold 7/9/2012; No labor cost data available 2011 & Prior
300	2370 15th Ave	216,145	-	-	-	216,145	-	-	250,008	33,863	Sold 12/5/2014
301	2001 6th Street	265,947	-	-	-	265,947	-	-	283,500	17,553	Sold 10/4/2016
302	2341 14th Ave	306,511	-	-	-	306,511	-	-	260,000	(46,511)	Sold 11/22/2016
307	2046 1st Street	182,195	230,631	-	-	412,827	-	-	348,000	(64,827)	Sold 7/26/2019
308	2335 14th Ave	320,049	-	-	-	320,049	-	-	295,000	(25,049)	Sold 12/8/2017
309	2050 1st Street	333,604	128	-	-	333,732	-	-	322,000	(11,732)	Sold 8/31/2018
317	2198 2nd Street	-	56,529	205,119	50,000	311,647	368,000	-	-	56,353	2021 Costs of $25,531.33 as of April 30, 2021
318	2487 19th Ave	-	-	120,181	204,819	325,000	-	325,000	-	-	2021 Costs of $2,476.92 as of April 30, 2021
Totals		**2,554,698**	**287,289**	**325,300**	**254,819**	**3,422,105**	**368,000**	**325,000**	**2,838,213**	**109,108**	

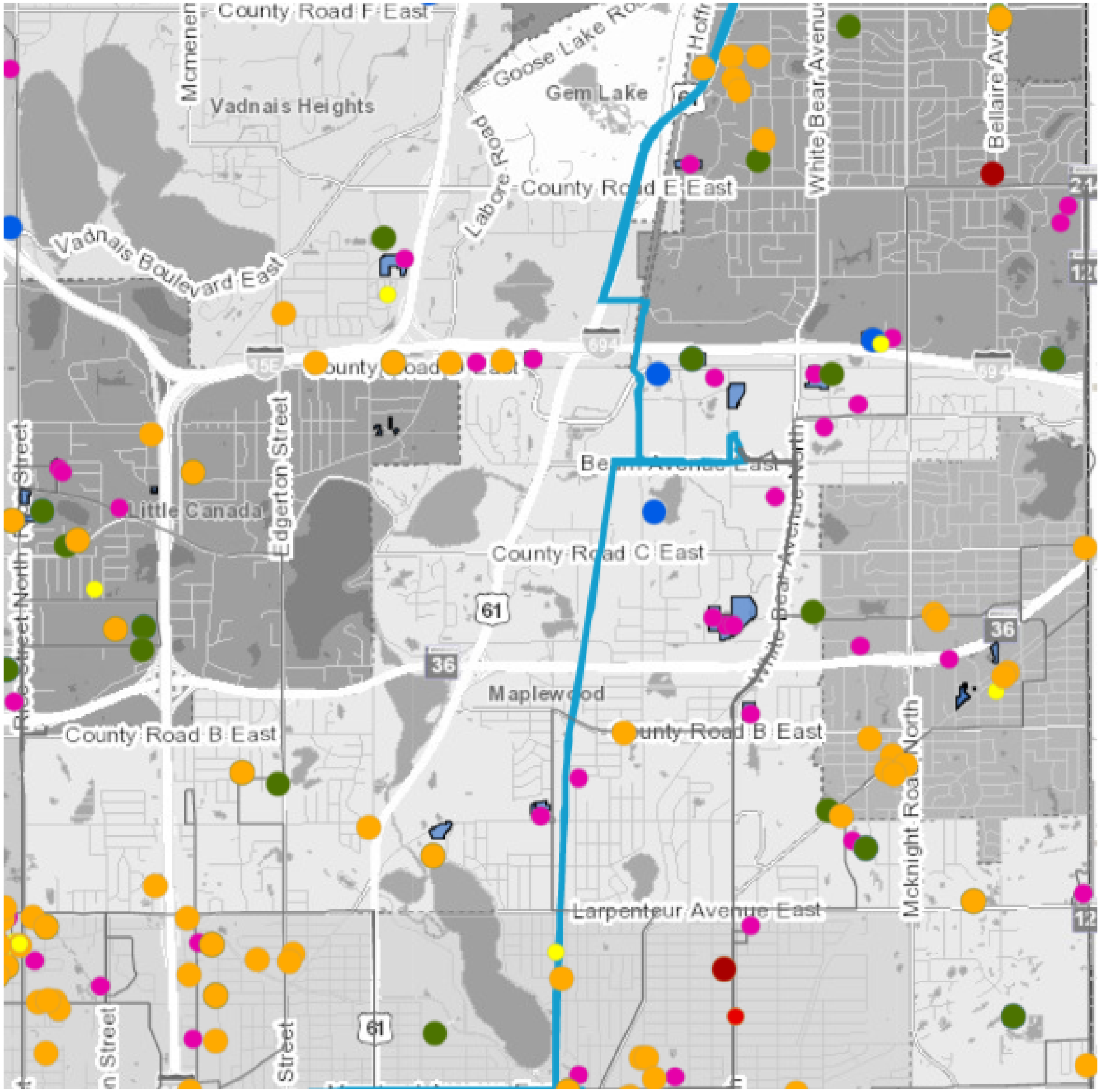
North St. Paul - Multifamily affordable housing query



Layers

- Less Than 30% - NOAH
  - Large Multifamily
  - Small Multifamily
- 30 - 49% - NOAH
  - Large Multifamily
  - Small Multifamily
- 50 - 59% - NOAH
  - Large Multifamily
  - Small Multifamily
- 60 - 79% - NOAH
  - Large Multifamily
  - Small Multifamily
- LIHTC
  - Large Multifamily
  - Small Multifamily
- TIF Housing

North St. Paul - Multifamily affordable housing query area context



Layers

- Less Than 30% - NOAH
  - Large Multifamily
  - Small Multifamily
- 30 - 49% - NOAH
  - Large Multifamily
  - Small Multifamily
- 50 - 59% - NOAH
  - Large Multifamily
  - Small Multifamily
- 60 - 79% - NOAH
  - Large Multifamily
  - Small Multifamily
- LIHTC
  - Large Multifamily
  - Small Multifamily
- TIF Housing

RAMSEY COUNTY

HRA LEVY

Preserving and providing homes for all.

Starting in 2022, funds collected would preserve and create affordable housing for Ramsey County residents, providing a long-term resource to combat the existing housing crisis.

Ramsey County is exploring a property tax levy for its Housing and Redevelopment Authority (HRA) to address the longstanding housing crisis that has been exacerbated due to the COVID-19 pandemic and the subsequent economic downturn.

Our challenge

Many Ramsey County residents live in poverty and struggle to find or afford stable housing. The current market is not building or preserving enough affordable housing to meet the needs of these residents, including seniors, low-wage workers and others who make less than $25,000 annually. This challenge is anticipated to grow, placing further strain on the housing market and county services for all households.

Housing and redevelopment authorities

To help solve these challenges, many local units of government levy for affordable housing through their Housing Redevelopment Authorities – public entities that specifically focus on housing and redevelopment. While Ramsey County has an HRA, it is the only county in the Twin Cities metropolitan area that does not actively levy for affordable housing.

What will the levy fund?

Funds collected through a Ramsey County HRA Levy would support the preservation of existing and creation of new affordable housing developments and build community wealth by creating pathways to homeownership. This would be done by offering gap financing and land acquisition funds as well as allocating resources to increase the competitiveness of local community housing projects in Ramsey County applying for state grants.

Timeline

Ramsey County's HRA plans to begin levying in 2022. However, communities that had active HRA levy authorities prior to 1971 are statutorily required to pass a resolution to participate in Ramsey County's levy as well. This currently applies to the cities of Saint Paul and North St. Paul.

Additional information

Learn more at ramseycounty.us/HRA

Contact: Kari Collins, *Community and Economic Development Director*
Kari.Collins@ramseycounty.us | 651-266-8010

RAMSEY COUNTY

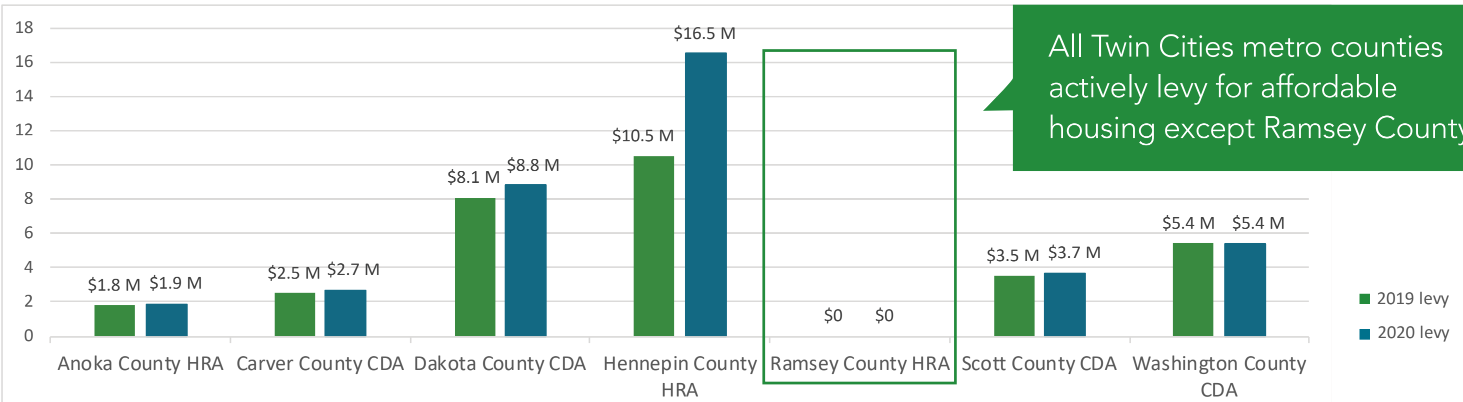
65,000 households in Ramsey County pay more than 30% of their income on housing.

*There are 209,000 households in Ramsey County.**

An HRA levy in Ramsey County **could raise up to $11.6 million a year** to fund affordable housing.

**Source: U.S. Census Bureau, 2019.*

HRA Levies by Metro County (2019 and 2020)



All Twin Cities metro counties actively levy for affordable housing except Ramsey County.

There is currently a shortage of 15,000+ homes that are affordable for Ramsey County households making between $30,000-$50,000 per year and **50,000+ homes** that are affordable for households making less than $30,000 per year.

New construction would take 20-50 years to meet the current need, and would still require subsidies.

The proposed HRA Levy would increase annual taxes on a median value residential property ***by about $45***.

"**THE COST OF INACTION IS TOO GREAT.**

If we wish to chart a path toward recovery and create a more resilient future, then we must ensure our commitment to our most vulnerable residents.

When our most vulnerable residents thrive, we all thrive."

– Economic Competitiveness and Inclusion Plan participant

Learn more: ramseycounty.us/HRA

RESOLUTION

WHEREAS, Ramsey County, the City of North St. Paul, and our entire region are facing an affordable housing crisis that has been exacerbated due to the COVID-19 pandemic and its subsequent economic downturn; and

WHEREAS, many residents of the City of North St. Paul and Ramsey County struggle to find or afford stable housing along the full housing continuum; and

WHEREAS, nearly half of renters and 20% of homeowners in Ramsey County are cost-burdened, spending more than 30% of their income on housing; and

WHEREAS, the current market is not building or preserving enough affordable housing to meet the needs of these residents, including seniors, low-wage workers, and others who make less than $25,000 annually; and

WHEREAS, at the current pace of construction and if all construction was dedicated to affordable housing, it would take more than 21 years to build enough units to meet the demand; and

WHEREAS, this housing shortage is anticipated to grow in the City of North St. Paul and Ramsey County, and will place further strain on the housing market and city and county services for all households; and

WHEREAS, throughout the county the availability of land is scarce and nearly all development that occurs or will occur will be redevelopment, and

WHEREAS, redevelopment challenges are very site specific and contributes to the added cost and time necessary to ready and advance projects, and

WHEREAS, affordable housing is a smart investment of taxpayer dollars and a long-term solution addressing the root cause of homelessness; and

WHEREAS, many local units of government levy for affordable housing through their housing redevelopment authorities to support affordable housing projects, including every county in the Twin Cities metropolitan area besides Ramsey County; and

WHEREAS, the City of North St. Paul established its Housing and Redevelopment Authority on or about May 17, 1971, and was eligible to begin levying a tax upon all taxable property within the City of North St. Paul pursuant to Minnesota Statutes § 469.033, subd. 5; and

WHEREAS, Ramsey County established its Housing and Redevelopment Authority on or about March 9, 1993 for purposes of ensuring sufficient supply of adequate, safe and sanitary housing, assist in the redevelopment and revitalization of blighted corridors and sites, and to remedy the shortage of housing of low and moderate income residents ; and

WHEREAS, to help support the preservation of existing and creation of new affordable housing developments as well as the redevelopment and revitalization of blighted corridors and sites across Ramsey County, including in the City of North St. Paul in 2022, the Ramsey County Housing and Redevelopment Board of Commissioners plans to begin levying a tax upon all taxable property within the County pursuant to Minnesota Statutes § 469.033, subd. 5 (the "County Levy"); and

WHERAS, funds collected through the County Levy would be used in the City of North St. Paul and across Ramsey County to expand homeownership programs, offer gap financing and land acquisition funds, and to allocate resources to increase the competitiveness of City and Ramsey County housing projects when applying for state grants; and

WHEREAS, the Ramsey County Housing and Redevelopment Authority will also be involved in broader development and redevelopment efforts in the City of North St. Paul and the entire County that advance the County's goals; and

WHEREAS, the County Levy could collect up to $11.6 million each year to fund affordable housing and broader development and redevelopment efforts that advance the County's goals, with a portion of that amount supporting projects in the City of North St. Paul; and

WHEREAS, the Ramsey County Housing and Redevelopment Authority would seek authorization from the City of North St. Paul to implement a project in the City's jurisdiction; and

WHEREAS, because the City of North St. Paul established its HRA in 1971, in order to participate in the County Levy, pursuant to Minnesota Statutes § 469.012, subd. 3, the City of North St. Paul may adopt a resolution authorizing the Ramsey County Housing and Redevelopment Authority to exercise the County HRA's powers within the City of North St. Paul at the same time that the City of North St. Paul is exercising its own powers; and NOW, THERFORE, BE IT

RESOLVED, the City Council for the City of North St. Paul authorizes the Ramsey County Housing and Redevelopment Authority to include the City of North St. Paul in its area of operation to both levy funding and create and support projects within the City of North St. Paul.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Furlong and City Council	May 18, 2021

Agenda Placement # IV.C

Topics

Subject

American Rescue Plan Act (ARPA) / State and Local Fiscal Recovery Funds (FRF)

Background/Facts

On Thursday, March 11th President Joe Biden signed into law the $1.9 trillion relief and stimulus package known as The American Rescue Plan Act (ARPA) after amendments were made by the Senate and subsequently passed by the House of Representatives.

Among the provisions within the act which include direct payments to individuals and an extension of unemployment benefits, $350 billion of Fiscal Recovery Funds (FRF) will be sent to state, local, territorial, and Tribal governments for lost revenue, increased expenditures and mitigation of economic harm caused by the COVID-19 pandemic.

- $195 billion for states, (a minimum of $500 million for each State);
- $130 billion for local governments (a minimum of $1.25 billion per state is provided by the statute inclusive of the amounts allocated to local governments within the state);
- $45.9 billion for cities over 50,000 in population
- $19.5 billion for cities under 50,000 in population
- $20 billion for tribal governments; and
- $4.5 billion for territories

Preliminary estimates, which are subject to change, indicate a total maximum distribution of $1,524,181 to the City of North St. Paul. The approximate amount of funding for Minnesota local governments with populations under 50,000 is ~$100/per capita. The ARPA will be subject to both periodic financial reporting and federal single audits.

Distributions will be split into two even allocations. The first half will be sent to the State of Minnesota within 60 days of the bills enactment. The state is then required to allocate funding to local governments 30 days after receiving funds from the federal government, unless an extension is filed by the state. North St. Paul should receive initial funding Wednesday, June 9th. The second half will be received no earlier than 12 months after the first distribution.

At the April 6, 2021 City Council Meeting staff informed council they were awaiting the Treasury Departments interpretation of the bill and guidance regarding eligible expenditures of FRF funds.

On May 10, 2021 the Treasury Department launched a webpage devoted to State and Local Fiscal Recovery Funds.

Example uses of the funds include:

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Water & Sewer Infrastructure
- Equity-Focused Services
- Address Negative Economic Impacts
- Premium Pay for Essential Workers
- Broadband Infrastructure

Prohibited use of the funds include:

- Reduction of net tax revenue
- Payments into a pension program
- Debt Service
- Legal settlements of judgements
- Rainy day funds / reserves

Attachments

1. Fiscal Recovery Funds Quick Reference Guide
2. Fiscal Recovery Funds FAQ
3. Fiscal Recovery Funds Fact Sheet

Respectfully submitted,

Jason Zimmerman, Finance Director

U.S. DEPARTMENT OF THE TREASURY

Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver $350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia ($195.3 billion)
- Counties ($65.1 billion)
- Metropolitan cities ($45.6 billion)
- Tribal governments ($20.0 billion)
- Territories ($4.5 billion)

Indirect Recipients

- Non-entitlement units ($19.5 billion)

Support Public Health Response
Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

Address Negative Economic Impacts
Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

Replace Public Sector Revenue Loss
Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

Premium Pay for Essential Workers
Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors

Water and Sewer Infrastructure
Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure

Broadband Infrastructure
Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

For More Information: Please visit www.treasury.gov/SLFRP
For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960
For General Inquiries: Please email SLFRP@treasury.gov for additional information

Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19,** including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

Coronavirus State and Local Fiscal Recovery Funds

Frequently Asked Questions

AS OF MAY 10, 2021

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the Interim Final Rule for additional information.

- For overall information about the program, including information on requesting funding, please see https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments
- For general questions about CSFRF / CLFRF, please email SLFRP@treasury.gov
- Upon publication of the Interim Final Rule in the Federal Register, Treasury encourages stakeholders to submit public comments on the Interim Final Rule at regulations.gov

Eligibility and Allocations

1. Which governments are eligible for funds?

The following governments are eligible:
- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

2. Which governments receive funds directly from Treasury?

Treasury will distribute funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units will receive funds through their applicable state government.

3. Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts.

4. **How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?**

   $20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specifies that $1 billion will be allocated evenly to all eligible Tribal governments. The remaining $19 billion will be distributed using an allocation methodology based on enrollment and employment.

   There will be two payments to Tribal governments. Each Tribal government's first payment will include (i) an amount in respect of the $1 billion allocation that is to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments will be notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds is May 24, 2021.

   In mid-May or shortly after completing the initial request for funds, Tribal governments will receive an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to the Department of the Treasury for the CARES Act's Coronavirus Relief Fund. The deadline to confirm employment numbers is June 7, 2021. Treasury will calculate each Tribal government's pro rata share of the Employment Allocation for those Tribal governments that confirmed or submitted amended employment numbers. In mid-June, Treasury will communicate to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts

5. **What types of COVID-19 response, mitigation, and prevention activities are eligible?**

   A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

6. If a use of funds was allowable under the Coronavirus Relief Fund (CRF) to respond to the public health emergency, may recipients presume it is also allowable under CSFRF/CLFRF?

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

7. If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

8. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing state unemployment funds?

Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date when the Interim Final Rule is published in the Federal Register.

9. What types of services are eligible as responses to the negative economic impacts of the pandemic?

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Assistance to small business and non-profits includes, but is not limited to:

- loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

10. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?

Yes, provided the recipient considers whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, state, local, territorial, and Tribal governments may consider and take guidance from the per person amounts previously provided by the federal government in response to the COVID crisis.

11. May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

12. May recipients use funds for general economic development or workforce development?

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

13. How can recipients use funds to assist the travel, tourism, and hospitality industries?

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

Tribal development districts are considered the commercial centers for tribal hospitality, gaming, tourism and entertainment industries.

14. May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?

Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an approximately 17 percent decline in employment and 24 percent decline in revenue, on net, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

15. How does the Interim Final Rule help address the disparate impact of COVID-19 on certain populations and geographies?

In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.

Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Eligible services include:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;

- Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;

- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and

- Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Eligible Uses – Revenue Loss

16. How is revenue defined for the purpose of this provision?

The Interim Final Rule adopts a definition of "General Revenue" that is based on, but not identical, to the Census Bureau's concept of "General Revenue from Own Sources" in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

17. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID- 19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

18. Does the definition of revenue include outside concessions that contract with a state or local government?

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau's Annual Survey of State and Local Government Finances. According to the Census Bureau's Government Finance and Employment Classification manual, the following is an example of current charges that would be included in a state or local government's general revenue from own sources: "Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities."

19. What is the time period for estimating revenue loss? Will revenue losses experienced prior to the passage of the Act be considered?

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

20. What is the formula for calculating the reduction in revenue?

A reduction in a recipient's General Revenue equals:

$$\text{Max}\ \{[\text{Base Year Revenue* } (1+\text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t\ ;\ 0\}$$

Where:

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVD-19 public health emergency.

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date.

Subscript *t* denotes the calculation date.

21. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been "due to" the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

22. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

23. Once a recipient has identified a reduction in revenue, are there any restrictions on how recipients use funds up to the amount of the reduction?

The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

However, paying interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens. This restriction on paying interest or principal on any outstanding debt instrument, includes, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt. In addition, the overarching restrictions on all program funds (e.g., restriction on pension deposits, restriction on using funds for non-federal match where barred by regulation or statute) would apply.

Eligible Uses – General

24. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds and similar reserves funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs.

Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

25. May recipients use funds to invest in infrastructure other than water, sewer, and broadband projects (e.g. roads, public facilities)?

Under 602(c)(1)(C) or 603(c)(1)(C), recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency.

Under 602(c)(1)(A) or 603(c)(1)(A), a general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

26. May recipients use funds to pay interest or principal on outstanding debt?

No. Expenses related to financing, including servicing or redeeming notes, would not address the needs of pandemic response or its negative economic impacts. Such expenses would also not be considered provision of government services, as these financing expenses do not directly provide services or aid to citizens.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

27. May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?

Fiscal Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and may not be used as non-federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please see here.

Eligible Uses – Premium Pay

28. What criteria should recipients use in identifying essential workers to receive premium pay?

Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others.

Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents.

The Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

29. What criteria should recipients use in identifying third-party employers to receive grants for the purpose of providing premium pay to essential workers?

Any third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. Selection of third-party employers and contractors who receive grants is at the discretion of recipients.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided.

30. May recipients provide premium pay retroactively for work already performed?

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic.

Eligible Uses – Water, Sewer, and Broadband Infrastructure

31. What types of water and sewer projects are eligible uses of funds?

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of eligible projects include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of eligible projects include: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

32. May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?

Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

33. May recipients use funds as a non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

Recipients may not use funds as a state match for the CWSRF and DWSRF due to prohibitions in utilizing federal funds as a state match in the authorizing statutes and regulations of the CWSRF and DWSRF.

34. Does the National Environmental Policy Act (NEPA) apply to eligible infrastructure projects?

NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

35. What types of broadband projects are eligible?

The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

36. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?

Yes. Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet. Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.

Non-Entitlement Units (NEUs)

37. Can states impose requirements or conditions on the transfer of funds to NEUs?

As the statute requires states to make distributions based on population, states may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

For example, states may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies, nor permitted to offset any debt owed by the NEU against its payment. Further, states may not provide funding on a reimbursement basis (e.g., requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Fund payments), because this approach would not comport with the statutory requirement that states make distributions to NEUs within the statutory timeframe.

38. Can states transfer additional funds to local governments beyond amount allocated to NEUs?

Yes. The Interim Final Rule permits states, territories, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute, as long as the transferee abides by the transferor's eligible use and other requirements. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town or school district within it).

39. What is the definition of "budget" for the purpose of the 75 percent cap on NEU payments, and who is responsible for enforcing this cap?

States are responsible for enforcing the "75 percent cap" on NEU payments, which is a statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's most recent budget. Treasury interprets the most recent budget as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. States may rely for this determination on a certified top-line budget total from the NEU. Funding amounts in excess of such cap must be returned to Treasury.

40. May states use funds to pay for the administrative costs of allocating and distributing money to the NEUs?

Yes. If necessary, states may use Fiscal Recovery Funds to support the administrative costs of allocating and distributing money to NEUs, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts.

41. When will states get their payments for NEUs? When will NEUs get their payments?

States can find their state-level allocations for NEUs on the Treasury website. Treasury plans to issue further guidance on distributions and payments to NEUs in the coming days.

State governments that request their own funds under the Coronavirus State Fiscal Recovery Fund through Treasury's Submission Portal will be considered by Treasury to have requested funding for their non-entitlement units as well.

42. When will NEUs know if they are eligible for payment?

Treasury plans to provide further guidance on distributions and payments to NEUs in the coming days.

Ineligible Uses

43. What is meant by a pension "deposit"? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries. In general, if an employee's wages and salaries are an eligible use of Fiscal

Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds.

Reporting

44. What records must be kept by governments receiving funds?

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

45. What reporting will be required, and when will the first report be due?

Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

Interim reports: States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report. The interim report will include a recipient's expenditures by category at the summary level and for states, information related to distributions to nonentitlement units of local government must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

Quarterly Project and Expenditure reports: State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments will be required to submit quarterly project and expenditure reports. This report will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. Reports will be required quarterly with the exception of nonentitlement units, which will report annually. An interim report is due on August 31, 2021. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit the project and expenditure report annually. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to

September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

Recovery Plan Performance reports: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual recovery plan performance report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial recovery plan performance report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the recovery plan performance reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual recovery plan performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide further guidance and instructions on the reporting requirements for program at a later date.

46. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available on beta.SAM.gov.

Miscellaneous

47. May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

48. Can recipients use funds for administrative purposes?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

Operational Questions

49. How does an eligible entity request payment?

Eligible entities (other than non-entitlement units) must submit their information to the Treasury Submission Portal. Please visit the Coronavirus State and Local Fiscal Recovery Fund website for more information on the submission process.

50. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?

If you have questions about the Treasury Submission Portal or for technical support, please email covidreliefitsupport@treasury.gov.

51. What do I need to do to receive my payment?

All eligible payees are required to have a DUNS Number previously issued by Dun & Bradstreet (https://www.dnb.com/).

All eligible payees are also required to have an active registration with the System for Award Management (SAM) (https://www.sam.gov).

And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the Coronavirus State and Local Fiscal Recovery Fund website.

52. Why is Treasury employing id.me for the Treasury Submission Portal?

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is https://help.id.me.

53. Why is an entity not on the list of eligible entities in Treasury Submission Portal?

The ARP statute lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email SLFRP@treasury.gov.

54. What is an Authorized Representative?

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

55. How does a Tribal government determine their allocation?

Tribal governments will receive information about their allocation when the submission to the Treasury Submission Portal is confirmed to be complete and accurate.

56. How do I know the status of my request for funds (submission)?

Entities can check the status of their submission at any time by logging into Treasury Submission Portal.

57. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?

If your Authorized Representative has not yet signed the award terms, you can edit your submission with in the into Treasury Submission Portal. If your Authorized Representative has signed the award terms, please email SLFRP@treasury.gov to request assistance with updating your information.

58. My request for funds was denied. How do I find out why it was denied or appeal the decision?

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the Coronavirus State and Local Fiscal Recovery Fund website.

If you still have questions regarding your submission, please email SLFRP@treasury.gov.

59. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the Treasury Submission Portal. The verification process takes approximately four business days. If any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

60. How does a local government entity provide Treasury with a notice of transfer of funds to its State?

For more information on how to provide Treasury with notice of transfer to a state, please email SLRedirectFunds@treasury.gov.

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver $350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide $350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver $350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- 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 on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of $350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	**Amount ($ billions)**
States & District of Columbia	$195.3
Counties	$65.1
Metropolitan Cites	$45.6
Tribal Governments	$20.0
Territories	$4.5
Non-Entitlement Units of Local Government	$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

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, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures,** by 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 borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **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, Treasury's Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. **Supporting the public health response**

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
  - ✓ Vaccination programs
  - ✓ Medical expenses
  - ✓ Testing
  - ✓ Contact tracing
  - ✓ Isolation or quarantine
  - ✓ PPE purchases
  - ✓ Support for vulnerable populations to access medical or public health services
  - ✓ Public health surveillance (e.g., monitoring for variants)
  - ✓ Enforcement of public health orders
  - ✓ Public communication efforts
  - ✓ Enhancement of healthcare capacity, including alternative care facilities
  - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
  - ✓ Enhancement of public health data systems
  - ✓ Capital investments in public facilities to meet pandemic operational needs
  - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
  - ✓ Mental health treatment
  - ✓ Substance misuse treatment
  - ✓ Other behavioral health services
  - ✓ Hotlines or warmlines
  - ✓ Crisis intervention
  - ✓ Services or outreach to promote access to health and social services

- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. **Addressing the negative economic impacts caused by the public health emergency**

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.

- **Supporting small businesses,** helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.

- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.

- **Rebuilding public sector capacity,** by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. **Serving the hardest-hit communities and families**

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health,** through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments,** including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. **Replacing lost public sector revenue**

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. **Providing premium pay for essential workers**

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. **Investing in water and sewer infrastructure**

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. **Investing in broadband infrastructure**

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. **Ineligible Uses**

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Furlong and City Council	May 18, 2021

Agenda Placement # IV.D

Topics

Subject

Amended Investment Policy

Background/Facts

The current investment policy for the City of North St. Paul was approved by City Council in November 2012 and hasn't been updated since. As part of regular policy review, staff identified several outdated references to statutes, personnel, and processes.

Effective cash flow management and cash investment practices are recognized as essential to good fiscal management. The investment policy of the City of North St. Paul is intended to provide for the prudent and efficient investment of the City's funds.

It is the policy that City funds be managed and invested with three primary objectives in order of priority: safety, liquidity and yield. The City shall maintain a cash management system that includes collection of accounts receivable, prudent investment of available cash, management of banking services and disbursement of payments in accordance with invoice terms, the City's Purchasing Policy, and State Statute.

Updates to the Policy

- The City Manager and Finance Director are designated as the Investment Officers of the City. This was previously been solely delegated to the City Manager.
- Added references to investment committee and reporting frequency.
- Replaced authorized personnel names with titles.
- Removal of broker names and contact information.
- Formatted to visually be consistent with other Finance policies.
- Investment values must be carried at market value and reported per Government Accounting Standards Board (No. 72 & No. 79).

Attachments

1. Draft 2021 Investment Policy Draft

Respectfully submitted,

Jason Zimmerman, Finance Director

NORTH ST.PAUL

extraordinary.

INVESTMENT POLICY

City of North St. Paul

Adopted on ___________

Background

Effective cash management is essential to good fiscal management. Investment returns on funds not immediately required can provide a significant source of revenue for the City. Investment policies must be well founded and uncompromisingly applied in their legal and administrative aspects in order to protect the City funds being invested.

Purpose

The purpose of this policy is to establish the City's investment objectives and establish specific guidelines that the City will use in the investment of city funds. It will be the responsibility of the Finance Director to invest city funds in order to attain a market rate of return while preserving and protecting the capital of the overall portfolio. Investments will be made, based on statutory constraints, in safe, low risk instruments.

Scope/Funds

This policy applies to the investment of all city funds available for investment and not needed for immediate expenditure. The City will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Delegation of Authority

Authority to manage the investment program is granted to the City Manager and Finance Director who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. Authority to conduct actual investment transactions may be delegated to the Accountant, who shall act in accordance with procedures as established with this investment policy.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize the risk of market fluctuations, such as credit risk and interest rate risk. Credit risk is the risk that the borrower will be unable to make their debt service payments to the investors. Interest rate risk is the risk that rates will (for example) rise while the investments you hold have lower rates – if the City were to sell their investments prior to maturity in this case, they would have to sell the investments at a loss.

Liquidity: The investment portfolio must remain sufficiently liquid to meet all operating costs that may be reasonably anticipated. The portfolio must be structured so that

securities mature concurrent with cash needs to meet anticipated demands. Cash needs will be determined based on cash flow forecasts.
Diversification of instruments: A variety of investment vehicles must be used so as to minimize the exposure to risk of loss. The investment portfolio must be diversified by individual financial institution, government agency, or by corporation (in the case of commercial paper) to reduce the exposure to risk of loss.

Diversification of maturity dates: Investment maturity dates should vary in order to ensure that the City will have money available when needed.

Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Oversight

The Finance Director will maintain a detailed and comprehensive investment policy based on the principles established by the City Council and consistent with the most current guidelines within the public sector. On at least an annual basis, the Finance Director shall provide a status report to the City Council. Annually, the City Council shall designate depositories for investment purposes.

The City shall invest in the following instruments as allowed by Minnesota Statute 118A:

Government Securities: Direct obligations of the federal government or its agencies, with the principal fully guaranteed by the U.S. Government or its agencies.

Certificates of Deposit: A negotiable or nonnegotiable instrument issued by commercial banks and insured up to $250,000, or the amount set, by the Federal Deposit Insurance Corporation (FDIC).

Repurchase Agreement: An investment that consists of two simultaneous transactions, where an investor purchases securities from a bank or dealer. At the same time, the selling bank or dealer agrees to repurchase the securities at the same price plus interest at some agreed- upon future date. The security purchased is the collateral protecting the investment.

Prime Commercial Paper: An investment used by corporations to finance receivables. A short-term (matures in 270 days or less), unsecured promissory note is issued for a maturity specified by the purchaser. Corporations market their paper through dealers who in turn market the paper to investors. The City will only purchase commercial paper issued by U.S. corporations or their Canadian subsidiaries that has been rated highest quality (A1, P1 and F1) by two of three rating agencies.

State or Local Government Securities: Any security that is a General Obligation of any state or local government rated “A” or better by a national bond rating service.
Statewide Investment Pools: Statewide investment pools that invest in authorized

instruments according to M.S. §118A.04, such as the Minnesota Municipal Money Market (4M) Fund.

Money Market Mutual Funds: Money market mutual funds that invest primarily in U.S. Government and agency issues and repurchase agreements.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business or that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Internal Controls, Audits, External Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Accordingly, compliance with City policies and procedures should be assured by the Finance Director, and addressed through the annual audit (ACFR) process.

Authorized Financial Institution and Dealer

In accordance with Minnesota Statutes §118.02, the responsibility for conducting investment transactions resides with the City Council. Also, the Council shall be responsible for designating the depositories of the funds. Depositories shall be selected through a banking services procurement process, which shall include a comprehensive review of credit characteristics and financial history by the Finance Director or reliance on selection criteria by an independent third party. In selecting depositories, the creditworthiness of the institutions under consideration shall be examined. The City Council shall designate depositories after a recommendation from staff.

Only approved security broker/dealers authorized in Minnesota Statutes 118A.06 shall be utilized for safekeeping and custody.

All financial institutions and broker/dealers must supply the following as appropriate:

- Audited financial statements;
- Proof of Financial Industry Regulatory Authority (FINRA) certification,
- Proof of state registration;
- Completed broker/dealer questionnaire for firms who are not major regional or national firms;
- Certification of having read the City's investment policy.

Broker Representations

Municipalities must obtain from their brokers certain representations regarding future investments. The City of North St. Paul will provide each broker with information regarding the municipality's investment restrictions. Before engaging in investment transactions with the City of North St. Paul, the supervising officer at the securities broker/dealer shall submit a certification stating that the officer has reviewed the investment policies and objectives, as well as applicable state laws, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the City of North St. Paul. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the city's funds.

Collateralization

The City funds must be deposited in financial institutions that provide at least $250,000 in government insurance protection. At no time will deposits in any one institution exceed the insured amount unless such excesses are protected by pledged securities. Pledged securities, computed at market value, will be limited to the following:

United States Treasury bills, notes or bonds that mature within five years;

Issues of United States government agencies guaranteed by the United States government;

General obligation securities of any state or local government with taxing powers rated "A" or better, or revenue obligation securities of any state or local government with taxing powers rated AA or better, provided no single issue exceeds $300,000 with maturities not exceeding five years;

Irrevocable standby letters of credit issued by Federal Home Loan Banks accompanied by written evidence that the bank's public debt is rated AA or better;

Time deposits that are fully insured by any federal agency.

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110 percent (110%) of the market value of principal and accrued interest. Collateral shall be deposited in the name of the City of North St. Paul, subject to release by the City's Finance Director. All certificates of deposit and repurchase agreements purchased by the City shall be held in third-party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument rate maturity and other pertinent information. All deposits will be insured or collateralized in accordance with Minnesota Statutes Chapter 118. No other collateral except as designated above will be authorized for use as collateral for City funds.

Safekeeping and Custody

When investments purchased by the City are held in safekeeping by a broker/dealer, they must provide asset protection of $500,000 through the Securities Investor Protection Corporation (SIPC) and the current required amount of supplemental insurance protection.

Diversification

It is the policy of the City to diversify its investment portfolios to eliminate the risk of loss resulting from the over concentration of assets in a specific maturity, a specific issuer, or a specific class of maturities.

The portfolio, as much as possible, will contain both short-term and long-term investments. The City will attempt to match its investments with anticipated cash flow requirements. Liquidity is necessary to pay for recurring operations. Maturities should not be extended beyond the dates necessary to meet these projected liquidity needs and should be staggered in such a way that avoids over concentration in a specific maturity sector. Extended maturities may be utilized to take advantage of higher yields; however, no more than 20% of the total investment portfolio should extend beyond five (5) years and in no circumstance should any extend beyond ten (10) years.

Investment Reporting

The Finance Director shall prepare an investment report at least quarterly, including a management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. The investment reporting function shall include requirements for budgetary reporting, interim reporting, internal reporting, and annual reporting.

Interim Reporting: The investment portfolios for the City funds shall be provided to the Council with the periodic budget versus actual reports. These reports shall be sequenced by maturity and shall state the type of investment, annualized rate of return based on the daily interest amount. The Finance Director shall summarize any changes in investment strategy or anticipated variances from the investment income budgeted as part of monthly reporting process.

Internal Reporting: Finance Department procedures shall ensure that investment portfolios are maintained on the City's records system on a daily basis and available to management or the City Council at any time.

Annual Reporting: Within 90 days of the City's fiscal year end, the Finance Director shall prepare a written comprehensive fiscal report on the investment program and investment activity. This report shall include:

- A summary of the investment activity and rate of return for the fiscal year then ended;
- A discussion of how the year's investment activity compares to the stated objectives and the budgeted amount;

- A detailed comparison of book yield with other benchmarks. Benchmarks for comparison may include: the Minnesota Municipal Money Market fund; other state investment pools that have similar investment restrictions; treasury bill rates that are indicative of a strictly passive investment strategy; performance indexes, as set forth in the Government Finance Officers' monthly publication of the Public Investor (e.g. the 10 bill index); or any other index that may be deemed appropriate;
- A discussion of the outlook for interest rates and the economic trend for the upcoming year, investment strategies to be implemented and budgetary expectations for investment income.

Investment Committee

The Investment Officer or Designee shall prepare an investment report at least quarterly to the Investment Committee, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The Finance Director shall serve as the facilitator of the committee. The committee shall meet as often as it sees fit, but no less than once per year and no more than once per quarter.

Marking to Market

The market value of this portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the recommended practice. Reporting investment values must be marked-to-market and reported per Government Accounting Standards Board (No. 72 & No. 79).

Interest Earnings

Interest earnings will be credited to all funds with a positive cash balance at the end of each month, based on the cash balance at month-end. Market value adjustments will be credited to all funds with a positive cash balance at the end of each month, based on the cash balance at month-end.

Conclusion

The intent of this policy is to ensure the safety of all City funds. The main goal of the City will be to achieve a benchmark rate of return while maintaining the safety of its principal.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Furlong and City Council	May 18, 2021

Agenda Placement # IV.E

Topics

Subject

Financial Transparency Reporting

Background/Facts

At the June 30, 2020 City Council Meeting a contract was approved with OpenGov for services that included reporting and transparency software. In the new reporting software, rather than PDF, raw data has been transformed into dynamic interactive charts with drill-down capabilities in an effort to improve the communication of financial information to Council, staff and the public.

Finance staff has worked with the OpenGov integration team to convert data from Tyler Incode to a newly created chart of accounts. Currently, data from 2016 to March 2021 has been converted in an effort to bring forward these reports for presentation. Additional data will be converted as staff works with OpenGov through implementation. Because the City hasn't transitioned to the OpenGov core financial software and is still currently using Tyler Incode, data is not live. Data from the legacy system needs to be downloaded, converted into the new OpenGov chart of accounts and then uploaded into the OpenGov reporting and transparency software. Staff plans on loading data regularly through the implementation process.

In an effort to fully utilize the reporting tools, staff has created a “transparency portal” for financial reporting. Each link or “Story” on the portal was created using the OpenGov platform, which integrates text with embedded reporting and transparency tools. Stories on the portal include: 2021 budget, 2020 budget to actuals, cash and investments, debt, utility billing, 2020 street & utility improvements and project tracking for redevelopment sites.

For best presentation, staff recommends using the following web browsers: Chrome, Firefox, or Safari. The North St. Paul Transparency Portal can be found here.

Attachments

None

Respectfully submitted,

Jason Zimmerman, Finance Director