



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

TO: Honorable Mayor and Members of City Council
FROM: John F. McDonough, City Manager

Agenda Item No.

5a

Ordinance/First Reading Ordinance/Second & Final Reading Resolution/First & Final Reading Information Only

AGENDA DATE REQUESTED: June 7, 2021

ORDINANCE/RESOLUTION CAPTION:

ORDINANCE TO APPROPRIATE \$8,954,274 IN THE MISCELLANEOUS GRANTS FUND AND THE GENERAL FUND TO RECOGNIZE FUNDS FROM THE AMERICAN RESCUE PLAN ACT

SUMMARY BACKGROUND:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. As part of that act, the Department of the Treasury established the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), allocating \$350 billion for state, local and other governments to "bolster their response to the COVID-19 emergency and its economic impacts". Of this pool, \$45.6 billion was allocated to Metropolitan Cities (a/k/a CDBG Entitlement Cities) which includes the City of Greenville. Greenville's allocation is \$17,908,547, of which \$8,954,273.50 has already been received. The remainder is expected in the spring of 2022.

The broad purpose of CSLFRF funds is to provide lower levels of government with "a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers." Within this overall framework, the specific categorical uses of the funding include:

- Support for Public Health expenditures
- Addressing negative economic impacts caused by the Public Health emergency
- Replacing lost public sector revenue
- Providing premium pay for essential workers
- Investing in water, sewer and broadband infrastructure

Based on analysis of the ARPA and CSLFRF provisions, the Staff determination is that the option with the lowest administrative burden and greatest flexibility for the City is as revenue replacement. OMB analysis indicates that our post-COVID revenue losses are large enough to consume our entire allocation.

IMPACT IF DENIED:

The funds will not be appropriated for use.

FINANCIAL IMPACT:

The funds will be used to offset the loss of City revenue due to the COVID-19 pandemic, and will be expensed for the provision of Governmental Services, including Police, Fire, and Public Works. This will ultimately increase the City's available General Fund Fund balance at the end of the fiscal year.

REQUIRED SIGNATURES

Department Director _____

DocuSigned by:

OMB Director

Matt Egan

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City Attorney _____

DocuSigned by:

Michael Pitts

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DocuSigned by:

City Manager _____

John McDonough

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A N O R D I N A N C E

TO APPROPRIATE \$8,954,274 IN THE MISCELLANEOUS GRANTS FUND AND THE GENERAL FUND TO RECOGNIZE FUNDS FROM THE AMERICAN RESCUE PLAN ACT

WHEREAS, the COVID-19 Pandemic caused significant economic damage to the United States generally and the city of Greenville (the “City”) specifically; and

WHEREAS, Congress passed, and President Biden signed into law, the American Rescue Plan Act (the “ARPA”) on March 11, 2021; and

WHEREAS, ARPA included funding for local government fiscal recovery from the economic damage of the COVID-19 Pandemic; and

WHEREAS, the City received an allocation of \$17,908,547 from the Coronavirus State and Local Fiscal Recovery Fund (the “CSLFRF”); and

WHEREAS, the funding will be received by the City in two tranches, the first of which has already been received, and the second is expected in the spring of 2022; and

WHEREAS, among the allowed uses of the CSLFRF is the replacement of lost City revenues; and

WHEREAS, the City of Greenville has experienced lost revenue as defined by ARPA in excess of \$24,000,000 since June 2019; and

WHEREAS, the replacement of lost revenue and the use of the replacement revenue for the provision of Governmental Services, to include Police, Fire and Public Works operations, is determined to be the option that allows the City the most flexibility and lowest administrative burden;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, the amount of \$8,954,274 is appropriated in the Miscellaneous Grants Fund and General Fund for the purpose of replacing lost revenue needed for the provision of Governmental Services as reflected the attached Exhibit A. This Ordinance shall become effective upon passage on the second and final reading.

DONE, RATIFIED AND PASSED THIS THE _____ DAY OF _____, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

REVIEWED:

CITY MANAGER

