

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: Sara Peer, City Clerk**

**SUBJECT: Approve Acceptance of the Coronavirus Local Fiscal Recovery Funds Established Under the American Rescue Plan Act**

**DATE: December 7, 2021**

**BACKGROUND**

Congress adopted the American Rescue Plan Act in March 2021 (ARPA) which included \$65 billion in recovery funds for cities across the country. Guidance has been provided by the US Treasury for each city to follow when establishing ways to use the funds.

Earlier this year, the City applied for the ARPA funds and in July, 2021, the City received the first half of \$214,279.47. A second distribution is expected in 2022, for a total of \$428,558.94.

After the deadline passed for local governments to request ARPA funds, nearly \$12 million of the \$377 million available to Minnesota's cities with populations less than 50,000, remained unrequested. As allowed by the US Treasury, the state of Minnesota has redistributed these remaining funds amongst eligible local governments who requested ARPA funds. The City received an additional \$7,017.06 at the end of November, representing the City's portion of the redistributed funds of the American Rescue Plan allotment.

Funds are available for appropriation through December 31, 2024. The US Treasury provided several options for use of these funds including; responding to the public health emergency's negative economic impacts, responding to workers performing essential work, the provision of government services to the extent of the reduction in revenue, or necessary investments in water, sewer, or broadband infrastructure.

**RECOMMENDATION**

Please approve Resolution 2596, to accept the Coronavirus Local Fiscal Recovery Funds of \$435,576.00 established under the American Rescue Plan Act.

**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2596**

**A RESOLUTION TO ACCEPT THE CORONAVIRUS LOCAL FISCAL RECOVERY  
FUND ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT**

**WHEREAS**, since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans (“Pandemic”). The disease has impacted every part of life: as social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs;

**WHEREAS**, as a result of the Pandemic cities have been called on to respond to the needs of their communities through the prevention, treatment, and vaccination of COVID-19.

**WHEREAS**, city revenues, businesses and nonprofits in the city have faced economic impacts due to the Pandemic.

**WHEREAS**, Congress adopted the American Rescue Plan Act in March 2021 (“ARPA”) which included \$65 billion in recovery funds for cities across the country.

**WHEREAS**, ARPA funds are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses.

**WHEREAS**, \$435,576.00 has been allocated to the City of Cannon Falls (“City”) pursuant to the ARPA (“Allocation”).

**WHEREAS**, the United States Department of Treasury has adopted guidance regarding the use of ARPA funds.

**WHEREAS**, the City, in response to the Pandemic, has had expenditures and anticipates future expenditures consistent with the Department of Treasury’s ARPA guidance.

**WHEREAS**, the State of Minnesota will distribute ARPA funds to the City because its population is less than 50,000.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
CANNON FALLS, MINNESOTA AS FOLLOWS:**

1. The City intends to collect its share of ARPA funds from the State of Minnesota to use in a manner consistent with the Department of Treasury’s guidance.

2. City staff, together with the Mayor and the City Attorney are hereby authorized to take any actions necessary to receive the City's share of ARPA funds from the State of Minnesota for expenses incurred because of the Pandemic.
3. City staff, together with the Mayor and the City Attorney are hereby authorized to make recommendations to the City Council for future expenditures that may be reimbursed with ARPA funds.

Adopted by the City Council of Cannon Falls, Minnesota this 7<sup>th</sup> day of December, 2021.

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John O. Althoff, Mayor

ATTEST: \_\_\_\_\_  
Neil L. Jensen, City Administrator