



## REQUEST FOR COUNCIL ACTION

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**MEETING DATE:** January 18, 2022  
**PREPARED BY:** Greg Sticha, Finance Director GS  
**AGENDA ITEM:** Approve resolution formally accepting ARPA funds

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**PREVIOUS ACTIONS:**  
None

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**RECOMMENDED COUNCIL ACTION:**

Approval of Resolution No. 22-024 accepting American Rescue Plan Act (ARPA) Federal Funding, use of that funding for revenue losses incurred in fiscal year 2020 and applying those funds towards public safety operating expenses in fiscal year 2021.

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**COMMENTS:**

In May of 2021 the Federal Government allotted all local municipalities federal dollars to be used for specific purposes related to the impacts of the ongoing pandemic (American Rescue Plan Act). The City of Maple Grove allotment was \$5,109,436. City staff filed the appropriate paperwork to receive the funding and in June of 2021 the city received half of its funding. The legislation calls for half of the funding to be allocated in 2021 and the second half to be allocated in May of 2022.

Staff had some preliminary discussions with the city council at the budget work session in the summer of 2021 about the use of the funds. One of the eligible uses of the funds is for lost revenues caused by the pandemic in fiscal year 2020. City staff applied the federal formula for calculating lost revenues. This calculation resulted in estimated lost revenues in excess of \$15 million for fiscal year 2020. If the federal funding is applied towards lost revenues it then has to be used on operating expenditures (in this case Public Safety) in the next fiscal year (2021).

The benefit of taking this action is it allows for the least amount of administrative documentation related to the funding and allows for the most flexibility in the eventual use of the funds by the city council.

It is very important to note that this evening's action simply accepts the funding and applies it towards an eligible use. The actual spending of those General Fund surplus created dollars will be determined by the city council at an upcoming meeting in March when the final 2021 General Fund Surplus is known.

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**ATTACHMENTS:**

Attachment A: Resolution No. 22-024