



Legislation Text

File #: 22-285, Version: 1

ACTION REQUESTED:

Communication from the City Manager and Finance Director with a Request to Hold a POLICY SESSION on the CORONAVIRUS STATE and LOCAL FISCAL RECOVERY FUNDS.

BACKGROUND: The City of Peoria received \$47,089,976 in Coronavirus State and Local Fiscal Recovery Funds (FRF) over the last two years. The City Council voted in June of 2021 to use \$10,301,585 of FRF to eliminate the need to issue working cash bonds in 2021, and to curtail furloughs for affected non-union employees. With the 2022-2023 Biennial Budget the City Council appropriated \$13,243,403 in 2022 and \$12,185,000 in 2023.

Staff anticipates that \$10,476,691 will be spent in 2022. Staff would recommend increasing the 2023 allocation from \$12,185,000 to \$15,465,428 to accommodate some spending that did not occur in 2022 and to address inflationary increases in certain infrastructure projects. This would leave \$10,846,272 to be allocated.

RECOMMENDED SPENDING	2022 ANTICIPATED	2023 PROPOSED	2024-2025 PROPOSED
INFRASTRUCTURE	\$ 4,618,403	\$ 8,515,455	\$ 3,181,802
NEIGHBORHOODS	\$ 2,100,693	\$ 2,453,303	\$ 2,459,402
ECONOMIC DEVELOPMENT	\$ 2,407,595	\$ 2,406,155	\$ 2,357,278
HEALTH EQUITY	\$ 600,000	\$ 600,000	\$ 1,200,000
VIOLENCE REDUCTION	\$ 731,250	\$ 1,320,390	\$ 1,287,098
PROGRAM MARKETING/ FINANCE	\$ 18,750	\$ 170,125	\$ 171,527
ADMINISTRATION			
TOTAL	\$ 10,476,691	\$ 15,465,428	\$ 10,846,272

Congress outlined specific funding objectives:

- **Support urgent COVID-19 response** efforts to continue to decrease the 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.

Since the pandemic has disproportionately impacted low-income families and communities of color, the FRF provides for additional flexibility for 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; and
- Broadly applicable to Qualified Census Tracts (QCTs), other disproportionately impacted areas;
- QCTs are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. For Peoria's purposes, the southern portion of the City below McClure are QCTs.

There are specific prohibited uses of the funds:

- Changes that reduce net tax revenue;
- Extraordinary payments into a pension fund;
- Rainy day fund deposits; and
- Funding debt service.

Staff will use Council's direction at the August 16th Policy Session to finalize 2023 budget recommendations for the FRF and include them in the 2023 Revised Budget that will be presented to Council in mid-October.

FINANCIAL IMPACT: The intent of the funds is to aid Peoria in the recovery from the pandemic.

NEIGHBORHOOD CONCERNS: A significant amount of the funding will be allocated to neighborhoods, particularly within Qualified Census Tracts.

IMPACT IF APPROVED: Council will provide direction to staff as the 2023 Revised Budget is prepared, and with an eye towards the 2024-2025 Biennial Budget as well.

IMPACT IF DENIED: Council will not provide direction.

ALTERNATIVES: Council can agree with staff's recommendations or provide alternative suggestions for staff to implement as part of the 2022-2023 budget process.

EEO CERTIFICATION NUMBER: N/A

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Financially Sound City
2. Safe Peoria
3. Beautiful Peoria
4. Grow Peoria

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reduce crime.
2. Grow employers and jobs.
3. Reinvest in neighborhoods.
4. Invest in our infrastructure and transportation.
5. Keep taxes and fees competitive.
6. Have an efficient government.

DEPARTMENT: City Manager's Office