



## Legislation Details (With Text)

**File #:** 22-285      **Version:** 1      **Name:**  
**Type:** Policy Session      **Status:** Held  
**File created:** 8/11/2022      **In control:** City Council  
**On agenda:** 8/16/2022      **Final action:** 8/16/2022  
**Title:** 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.

**Sponsors:****Indexes:****Code sections:**

**Attachments:** 1. ARP Fiscal Recovery Fund Policy Session 081622-CMO03LT

Date	Ver.	Action By	Action	Result
8/16/2022	1	City Council	opened policy session	Pass
8/16/2022	1	City Council	closed policy session	Pass

**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			
<b>TOTAL</b>	<b>\$ 10,476,691</b>	<b>\$ 15,465,428</b>	<b>\$ 10,846,272</b>

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 16<sup>th</sup> 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