

RESOLUTION NO. 2021-135

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING THE CITY MANAGER TO EXPEND AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR MARINA BUSINESSES THAT RECEIVED BUSINESS LOANS DURING COVID-19 PANDEMIC AND FOR ONE-TIME PREMIUM PAY FOR ELIGIBLE CITY FULL-TIME AND PART-TIME EMPLOYEES WHO PERFORMED ESSENTIAL WORK DURING COVID-19 PANDEMIC

WHEREAS, the City of Marina issued a proclamation of a State of Emergency due to COVID-19 on March 13, 2020 and the emergency proclamation remains in effect; and

WHEREAS, the City of Marina has continued to maintain and operate all essential services to the public which are critically important to residents and businesses during the pandemic; and

WHEREAS, the City will receive \$5,449,699 in two installments from ARPA to assist in mitigating the impacts of the COVID-19 pandemic; and

WHEREAS, the City provided \$187,300 in small business loans to small businesses to assist them in bridging the gap of revenue needed to sustain business during the pandemic; and

WHEREAS, the City's essential full-time and part-time employees have regularly performed in-person work, interacted with others at work, or physically handled items handled by others while performing essential work during the pandemic; and

WHEREAS, the expenditure of ARPA funds to pay off the small business loans and provide one-time Premium Pay for full-time and part-time employees who regularly performed in-person work, interacted with others at work, or physically handled items handled by others are considered critical to protect the health, safety and welfare of the residents and businesses of Marina are eligible expenditures under ARPA;

NOW THEREFORE BE IT RESOLVED that the City hereby allocates approximately \$310,000 from ARPA funds to pay off in full all the small business loans and reimburse any businesses that have previously paid off their loan either in part or full; and pay one-time Premium Pay of \$1,000 for full-time and \$500 for part-time essential employees who are currently actively working for the city who regularly worked between March 17, 2020 and July 1, 2021 performing essential work during the COVID-19 pandemic.

BE IT FURTHER RESOLVED, that the City Council hereby authorizes the City Manager and the Finance Director to make appropriate budgetary adjustments from ARPA funds for these expenditures.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 14th of December 2021, by the following vote.

AYES; COUNCIL MEMBERS: Medina Dirksen, Burnett, Biala, Delgado

NOES; COUNCIL MEMBERS: None

ABSTAIN; COUNCIL MEMBERS: None

ABSENT; COUNCIL MEMBERS: Berkley

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

December 14, 2021

Item No. **5a(2)**

Honorable Mayor and City Council Members

December 14, 2021

**THE CITY COUNCIL OF THE CITY OF MARINA CONSIDER ADOPTING
RESOLUTION NO 2021-, AUTHORIZING THE CITY MANAGER TO
EXPEND AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR MARINA
BUSINESSES THAT RECEIVED BUSINESS LOANS DURING COVID-19
PANDEMIC AND FOR ONE-TIME PREMIUM PAY FOR ELIGIBLE CITY
FULL-TIME AND PART-TIME EMPLOYEES WHO PERFORMED
ESSENTIAL WORK DURING COVID-19 PANDEMIC**

REQUEST.

It is requested that the Marina City Council

1. Approve Resolution 2021-____ authorizing the City Manager to expend approximately \$310,000 of American Rescue Plan Act (ARPA) funds for Marina businesses that received business loans during COVID-19 pandemic and for one-time premium pay for eligible city full-time and part-time employees who performed essential work during COVID-19 pandemic.
2. Authorize the Finance Director to make necessary budget changes.

BACKGROUND:

On March 13, 2020, the City of Marina issued a proclamation of a state of emergency due to COVID-19 following the March 4, 2020 proclamation by the Governor of the State of California of a state of emergency due to COVID-19. Both the City of Marina and State of California emergency proclamations remain in effect.

During the pandemic, the City of Marina has continued to maintain and operate all essential services to the public which are critically important to residents and businesses of the City. These functions have included maintaining the health, safety and welfare of the City by continuing police and fire response, code enforcement, maintenance of city roads, streets and other critical infrastructure, conversion of recreation staff to providing food distribution to the community and childcare services to essential employees, support of businesses and housing and development projects, and meeting with the general public to continue providing needed services. City employees are also designated as emergency/disaster workers in emergency situations.

The Federal Government approved the American Rescue Plan Act (ARPA) to provide funding to implement the Coronavirus State and Local Fiscal Recovery Fund. Under this program, the City of Marina will receive \$5,449,699 in two installments to assist in mitigating the impacts of the COVID-19 pandemic on the City. The City has already received the first installment of \$2,724,850. The U.S. Treasury Department has established rules for the use of these funds as well as administrative procedures and reporting requirements. Eligible uses of these funds include:

- Response to COVID-19 public health emergency and support various activities to decrease the spread of the virus

- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue due to the pandemic
- Provide premium pay to eligible essential workers
- Invest in water, sewer, and broadband infrastructure

The City will be working with a consultant to help us in developing and administering a comprehensive COVID-19 relief and economic recovery program for both the short and long term which will help us in leveraging these funds to get the maximum benefit for the City. This will include developing an economic recovery strategy working with the City Council, key stakeholders in the community and city staff. We anticipate moving forward with this effort in early 2022.

ANALYSIS:

The City Council established a Small Business Loan program to support local small businesses that were struggling to survive during the COVID-19 pandemic. This program was specifically targeted to meet the needs of small Marina businesses whose operations were either closed or severely limited by the impacts of COVID-19. The intent of the program was to provide a lifeline to struggling businesses to help them bridge the gap of revenue needed to sustain business operations.

This program provided loans of up to \$15,000 for small businesses in Marina. Twenty-three (23) small businesses participated in this program and approximately \$187,300 dollars was loaned.

Staff is proposing that the City Council allocate \$187,300 from ARPA funds to pay off in full all these small business loans and reimburse any businesses that have previously paid off their loan either in part or full.

Staff is also proposing that the City Council provide one-time Premium Pay of \$1,000 for full-time and \$500 for part-time essential employees who are actively working today; who regularly performed in-person work, interacted with others at work, or physically handled items handled by others between March 17, 2020 and July 1, 2021 performing essential work during the COVID-19 pandemic. During this period of COVID-19, staff from all city departments had to adapt quickly to changing circumstances and had to continue to meet with the public directly and provide essential services to the community. These services included crucial and vital public safety police, fire, and code enforcement response; maintenance of city roads, streets, parks and other critical infrastructure; food distribution; business and housing inspections and permit approval; other critical and important support to the general public and businesses during the pandemic. All these functions are considered critical to protect the health, safety and welfare of the residents and businesses of Marina.

Both of these uses qualify as eligible uses of ARPA funds.

FISCAL IMPACT

Approximately \$310,000 will be transferred from the ARPA funds to the City General Fund. The remaining ARPA funds will be approximately \$5,140,000.

Respectfully submitted

Layne Long
City Manager
City of Marina