

To: **Mayor and City Council**
From: **Ryan Schroeder, City Manager**
Date: **September 28, 2020**

Amendment to CARES ACT Expenditure Plan

BACKGROUND INFORMATION:

On July 27, 2020 the City Council adopted an expenditure plan, enclosed, to provide guidance, policy and process regarding allocation of CARES ACT funds received from the State of Minnesota. Since adoption of the plan, Council has allocated expenditures on August 17 and August 31, 2020.

On September 10, 2020, the City received a communication from the League of Minnesota Cities alerting all members to Department of Treasury Office of Inspector General (OIG) guidance which included information contrary to that which had been previously disseminated by Treasury. Council was alerted on September 11, 2020 of the conflicts of the OIG submittal. Of greatest concern was interpretation of how public safety payroll would be treated.

On September 22, 2020, the City received a September 21 OIG update. This most recent OIG update is enclosed for Council review. The entire document is instructive and helpful. Regarding public safety payroll guidance, clarification is denoted within section 70 to terminus of the document. This clarification essentially confirms our understanding of payroll treatment at the July 27 plan consideration.

Due to the evolving requirements of the CARES ACT guidance statements, it was determined that amendments to the July 27 plan were appropriate. These amendments are enclosed for Council consideration and recommended approval.

Essentially, areas that are proposed for amendment include:

- Explanation of COVID impacts within the Police Department
- Provision of more detail in some cases of duty changes in non-public safety positions
- A minor explanation improvement regarding business grants
- Expansion from the prior plan regarding infrastructure investments

It is recommended that Council reaffirm the July 27 CARES ACT expenditure plan as amended herein.

STAFF RECOMMENDATION:

By motion approve the amended CARES ACT Expenditure Plan.