



## Staff Report

**TO:** City Council  
**FROM:** Kari Mendoza, Administrative Services Director  
**DATE:** June 15, 2021  
**SUBJECT:** Authorize Premium Pay from Treasury's Coronavirus State and Local Fiscal Recovery Funds

---

### Background and Analysis:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act (the Act) to add Section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and Section 603, which establishes the Coronavirus Local Fiscal Recovery Fund. The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses.

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses which are:

- A. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality;
- B. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- C. For the provision of government services to the extent of the reduction in revenue due to COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Coronavirus Local Fiscal Recovery Fund provides for funding for metropolitan cities, nonentitlement units of local government, and counties. The City of Beaumont was allocated \$7,306,318.00 of funds as a metropolitan city, which allocated funds

based on populations greater than 50,000. The funds are received in two tranches and the City of Beaumont received its first tranche on June 7, 2021, in the amount of \$3,653,159. The second tranche of \$3,653,159 is expected to be received 365 days after receipt of the first tranche.

City staff is recommending the authorization of \$2.1 million of these funds for premium pay for City essential workers. The guidance states that, "Essential workers are those in critical infrastructure sectors who regularly perform in person work, interact with others at work, or physically handle items handled by others." Staff proposes three different tiers of premium payments to City essential workers. The tiers would be \$5,000, \$10,000 and \$15,000 based on the degree to which they were exposed. Some of the premium payments will qualify as reportable income based on CalPERS guidelines. This is based on the retirement classification and whether or not the salary scale has been adjusted in the current fiscal year.

**Fiscal Impact:**

The total request for premium pay is \$2.1 million from the allocation of federal dollars. City staff recommends the remainder of the funds allocated to the Wastewater Fund and applied to the Five-Year Capital Improvement Program. Allocation of the remaining \$5.2 million will be considered by the City Council at a later date. City staff estimates the cost to prepare this report is \$975.

**Recommended Action:**

Authorize the use of \$2.1 million of the Coronavirus State and Local Fiscal Recovery Fund for premium pay to City of Beaumont essential workers.