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City of Duluth Communications Office

Mayor Emily Larson 411 West First Street • Duluth, Minnesota 55802 • www.duluthmn.gov

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DATE: 6/25/2020

SUBJECT: City to receive CARES Act funding thanks to Governor's use of Executive Power

BY: Kate Van Daele, Public Information Officer

City to receive CARES Act funding thanks to Governor's use of Executive Power

[Duluth, MN] The City of Duluth will receive \$6,570,650 in CARES Act funds thanks to Governor Walz using executive powers to distribute allocations to government entities across the state.

"I am grateful to Governor Walz and the State of Minnesota for listening to our request to release these funds," Mayor Larson said. "The City of Duluth is not alone in needing reprieve from the toll that COVID-19 has had on our budget, and appreciate the Governor being willing to use executive powers to allocate these funds on our behalf."

The CARES Act has specific guidelines of costs that are eligible for reimbursement. Costs must have been incurred due to the public health emergency of COVID-19, and had not been budgeted for. Costs eligible must have been incurred between March 1, 2020 and December 30, 2020. As was discussed at a previous City Council meeting, these funds are not available to address other revenue shortfalls.

Examples of allowed reimbursable allocations include: cleaning supplies, PPE, hand sanitizer that help prevent the spread of COVID-19, workers compensation, FMLA and emergency sick leave, unemployment costs, and supplies to allow staff to work from home including but not limited to technology supplies, software, etc.

The City continues to work with the League of Minnesota Cities, and the State of Minnesota for guidance on CARES Act allocations and will work diligently to use its full allocation based on federal guidelines.

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Emily Larson Mayor

Room 422 411 West First Street Duluth, Minnesota 55802



June 24, 2020

Office of Governor Tim Walz & Lt. Governor Peggy Flanagan 130 State Capitol 75 Rev Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155

Governor Walz:

Thank you for your continued service to Minnesota during these unprecedented times. That word is used a lot lately, but it surely reflects the times we are living in. Your leadership has been instrumental since day one and the City of Duluth cannot thank you and your staff enough for always being accessible and working tirelessly to address constantly changing circumstances.

As you know, CARES Act funding is urgently needed if the City of Duluth hopes to weather this current budget crisis. This past Monday, I provided our City Council with a 90-minute budget presentation that can essentially be summed up in one word: dire. We are well within our initial prediction of a \$20 - \$38 million budget shortfall and CARES Act funding is needed immediately.

We, among many other cities across the state, have waited a long time for assistance and we simply cannot wait for another special session to be called with further uncertainty on legislative action. Cities are on the front lines in serving Minnesota residents and we are absorbing the financial and emotional cost of this pandemic.

We are doing everything we can to cobble the pieces together to address this budget crisis through layoffs, hiring freezes, salary freezes, collectively bargained unpaid furlough days, drastic reductions to core City services, and we know that that will not be enough.

In service to all Minnesotans, I urge you to issue the CARES Act allocations to cities through your executive powers so that we can continue to serve our communities without further delay or further devastating cuts.

Thank you again for your service to the state of Minnesota, to Duluth, and for your constant hard work through these unprecedented times.

As always, please do not hesitate to reach out to discuss further.

Sincerely,

Emily Larson Mayor

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Mayor Larson June 24 letter to Governor Walz