

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	October 5, 2020
Action:	Public Hearing/Approval of Appropriation (2 nd reading)
Presenter:	John Blair, Acting City Manager
Staff Contacts:	Paul Oberdorfer, Deputy City Manager Letitia Shelton, Deputy City Manager Chris Cullinan, Director of Finance
Title:	Appropriate Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding – 2nd Allocation - \$4,123,776

Background:

On March 12, 2020, the Council confirmed the City Manager’s declaration of a state of emergency effective that day and subsequent declarations of states of emergency were declared by the President and the Governor of Virginia. Since that time, Congress passed the CARES Act, which established a \$150 billion Coronavirus Relief Fund (CRF) to assist state, local, territorial, and tribal governments with direct costs associated with this event. Virginia’s allocation of these funds is \$3.1 billion.

On July 28, 2020, Governor Northam announced a second allocation of Coronavirus Relief Funds (CRF) to local governments made available through the CARES Act. The second allocation of funds to the City totals \$4,123,776; the same amount as the first allocation made to the City in June 2020. Similar to the first allocation, the second allocation was determined on a population-based distribution. In order to receive the second allocation of funds from the Commonwealth, the City had to provide an update on its progress utilizing the first allocation of funds and certify acknowledgment of the requirements for using CRF.

Discussion:

The regulations and uses of the second allocation of funds are the same as the first round.

Eligible expenses include those related to the City’s direct response to the pandemic. Additionally, “second order” effects of the pandemic are eligible, including business disruption funding and other economic support to those impacted economically. It is important to note that federal guidance specifically prohibits the use of CARES/CRF funding to offset any losses of revenue incurred by public entities.

General guidelines for potential uses of these funds include expenditures that:

- Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- Were not accounted for in the budget most recently approved as of March 27, 2020 for the locality; and
- Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

A broad range of uses are permitted, however, funds must not be used to fill revenue shortfalls. Additionally, funds must only be used for qualifying purposes which were not accounted for in the FY 2020 Adopted Budget. The City must return any unexpended funds remaining after December 30, 2020. While proposed expenditures are not required to be authorized prior to use, appropriate documentation which demonstrates that expenditures made comply with federal law is required. Under the provisions of the CARES Act, the Inspector General of the Department of the Treasury is responsible for determining appropriate use of CRF funds. If a state or locality were to expend funds in a manner inconsistent with the intent of the Act, that expenditure shall become a debt owed to the federal government.

The table below lists staff's recommended uses of the CARES funds which align with the certification requirements and Treasury guidance and the City's Covid 19 management and strategy. Given the fluid and on-going nature of the situation, a Contingency Reserve Fund is included below. Also, the City's response may require the reallocation some of the items presented below as conditions change.

Category	Description	Amount	% of TOTAL
Business Support	Second round of small business relief grants, additional commercial corridor support, CACVB funding for mobile visitor center, second round of BRACE grants	\$825,000	20.0%
Community Support	Nutrition support thru JABA and Sin Barreras, housing services, PPE/operational support for Westhaven residents, emergency resource hotline	\$639,000	15.5%
Employee Support	Hazard pay for CPD, CFD, Sheriff and DSS	\$381,876	9.3%
Operational Modifications	City Hall lobby modifications, City facility modifications (access control upgrades, touchless faucets, enhanced cleaning), School facility modifications (thermal imaging equipment, air sanitizers and scrubbers, HVAC improvements, virus mitigation surfaces)	\$1,275,500	30.9%
Technology	Drop off ballot box security, hardware/software for remote video and training, broadcast and streaming equipment for CitySpace, NDS conference room upgrades to support plans/permits acceptance and review, employee health/safety enhancements, online collaboration improvements	\$377,400	9.2%
Subtotal		\$3,498,776	84.8%
	Contingency Reserve Fund	\$625,000	15.2%
TOTAL		\$4,123,776	100.0%

Alignment with Council Vision Areas and Strategic Plan:

This action aligns with the Council’s Vision as a Great Place to Live for All of Our Citizens. It also aligns with the City Council’s Strategic Plan Goals.

Budgetary Impact:

There is no direct budget impact. Funds in the amount of \$4,123,776 have been allocated to the City by the Commonwealth for one-time uses directly associated with the City’s response to the COVID-19 pandemic through provisions of the CARES Act. All funds are subject to conditions established

by the U.S. Treasury and the Commonwealth and must be expended for eligible expenditures incurred between March 1, 2020 and December 30, 2020. Any unused funds must be returned.

Recommendation:

Staff recommends approval of the Appropriation.

Attachments:

1. CARES Appropriation

APPROPRIATION
Coronavirus Aid, Relief, and Economic Act (CARES) Funds – Second Allocation
\$4,123,776.00

WHEREAS, Commonwealth of Virginia has allocated a second round of federal funds from the Coronavirus Aid Relief and Economic Security (CARES) Act to the City in the amount of \$4,123,776 to address the COVID-19 pandemic;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the following is hereby appropriated in the following manner which conform with the conditions and guidance established by the Commonwealth, U.S. Treasury, and the City:

Revenue

\$4,123,776	Fund: 208	Cost Center: 9900000000	G/L Account: 430127
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\$4,123,776 Expenditures

Business Support

\$825,000	Fund: 208	Order: 1900353	G/L Account: 599999
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Community Support

\$639,000	Fund: 208	Order: 1900354	G/L Account: 599999
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Operational Modifications

\$1,275,000	Fund: 208	Order: 1900355	G/L Account: 599999
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Employee Support

\$381,876	Fund: 208	Order: 1900356	G/L Account: 599999
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Technology

\$377,400	Fund: 208	Order: 1900357	G/L Account: 599999
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Contingency Reserve Fund

\$625,000	Fund: 208	Order: 1900358	G/L Account: 599999
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BE IT FURTHER RESOLVED, the amounts above appropriated appropriation shall not be deemed to expire at the end of the fiscal year, but are hereby appropriated in the ensuing fiscal year unless altered by further action of this Council.

BE IT FURTHER RESOLVED, the amounts hereinabove appropriated for the categories of Business Support, Community Support, Operational Modifications, Employee Support, Technology, Contingency Reserve Fund, may on authorization from the City Manager, or his designee, be transferred between categories as needed to meet unforeseen circumstances.