THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: September 8, 2020

Subject: Budget amendment associated with the second round of funding that the City has received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF).

Staff Resource(s): Tony McDowell, Finance Department

Action Requested: Adoption of a budget amendment in the amount of $1,063,224 to establish a budget in the City's Special Revenue Fund for the second round of funding that the City has received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF).

Background:

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a $2 trillion economic stimulus bill passed by Congress and signed into law in March 2020 in response to the economic downturn caused by the COVID-19 pandemic. The State of North Carolina received $7.6 billion from the CARES Act.
- On May 4, 2020 North Carolina Governor Roy Cooper signed session law 2020-4 which appropriated $150 million from this funding to NC counties via the Coronavirus Relief Fund (CRF).
- Buncombe County received approximately $4.5 million from this first round of CRF funding and shared $943,771 with the City of Asheville. City Council approved a budget amendment for this first round of CRF funding on July 28, 2020.
- On July 1, 2020 Governor Cooper signed session law 2020-80 which appropriated an additional $150 million in CRF funding to NC counties, with Buncombe County receiving approximately $5.1 million from this second round of CRF funding.
- As with the first round of funding, Buncombe County shared a portion of the second round of funding with other governments in the county based on the local sales tax distribution formula. Under this formula, the City of Asheville received $1,063,224.
- City staff has identified COVID-19 related expenses that are anticipated prior to December 30, 2020 and are eligible for reimbursement under federal and state guidelines, and have submitted a plan for these expenses to Buncombe County.
- The NC Pandemic Recovery Office (NCPRO) has provided guidance regarding reporting requirements related to CRF funds which indicate that CRF funding should be budgeted and accounted for in a special revenue fund.
- To be in compliance with this guidance, staff is recommending City Council approve a budget amendment in the amount of $1,063,224 to establish a budget for the City's second round of CRF funding.

Council Goal(s):

- A Financially Resilient City

Pro(s):

- Ensures the City is in compliance with accounting and reporting requirements recommended by the State of North Carolina.

Con(s):

- None.

Fiscal Impact:

- Funding from the second round of CRF will be utilized for COVID-19 related expenses that the City incurs prior to December 30, 2020. This amendment will allow staff to consolidate all expenses in a single project in the City's Special Revenue Fund.

Suggested Motion:

- Motion to adopt a budget amendment in the amount of $1,063,224 to establish a budget in the City's Special Revenue Fund for the second round of funding that the City has received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF).

Attachment(s)

- Budget Amendment

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2020-21 Budget Ordinance be amended to budget $1,063,224 in Coronavirus Relief Fund (CRF) funding in the City's Special Revenue Fund as follows:

SPECIAL REVENUE FUND

Revenues:

Intergovernmental Revenue	$1,063,224
Total Revenues	$1,063,224

Appropriations:

Various Expenses	$1,063,224
Total Appropriations	$1,063,224

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 8th day of September, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney