THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: July 28, 2020

Subject: Budget amendments associated with: 1) funding that the City received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF); and 2) expenses and revenues related to the City's COVID-19 Shelter Operations.

Staff Resource(s): Tony McDowell, Finance Department

Action Requested: Adoption of: 1) A budget amendment in the amount of $943,771 to establish a budget in the City's Special Revenue Fund beginning in fiscal year 2019-20 for the funding that the City has received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF); and 2) A budget amendment in the amount of $1.6 million to establish a budget in the City's Special Revenue Fund beginning in fiscal year 2019-20 for expenses and revenues related to the City's COVID-19 Shelter Operations.

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, and 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 an allocation of approximately $4.5 million from the CRF and shared a portion of this funding with other governments in the county based on the local sales tax distribution formula.
- Under this formula, the City of Asheville received $943,771 in funding.
- City staff has identified FY 2019-20 COVID-19 related expenses that are eligible for reimbursement under federal and state guidelines and have submitted these expenses to Buncombe County for reimbursement.
- The NC Pandemic Recovery Office (NCPRO) has provided guidance regarding reporting requirements related to CRF funds which indicate that all 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 $943,771 to establish a budget for the City's CRF funding in the Special Revenue Fund.
- In addition, in April of 2020, the City began operating an emergency homeless shelter for persons experiencing unsheltered homelessness and at significant risk of contracting COVID-19 because of age and/or underlying chronic health concerns.
- Since operation of the shelter began, the City has been utilizing existing budget authorization within the Affordable Housing Project in the City's General Capital Projects Fund.
- Funding to offset the shelter expenses will be coming from a mix of special revenue sources, including federal grant reimbursements and private donations; therefore a budget needs to be established in the City's Special Revenue Fund to account for the shelter operations.

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:

- There is no overall fiscal impact with the CRF budget amendment since the expenses already occurred in FY 2019-20. The amendment will simply allow staff to consolidate all expenses in a single project in the City's Special Revenue Fund.
- For the Shelter Operations budget amendment, staff is including sufficient budget authorization for expenses already incurred as well for anticipated expenses through November 8, 2020. All expenses associated with the Shelter Operations are expected to be offset with revenue from the federal and state government and private donations.

Suggested Motion:

- Motion to adopt: 1) A budget amendment in the amount of $943,771 to establish a budget in the City's Special Revenue Fund beginning in fiscal year 2019-20 for the funding that the City has received from Buncombe County as part of the State's Coronavirus Relief Fund (CRF); and 2) A budget amendment in the amount of $1.6 million to establish a budget in the City's Special Revenue Fund beginning in fiscal year 2019-20 for expenses and revenues related to the City's COVID-19 Shelter Operations.

Attachment(s)

- Budget Amendments

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

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

That the City of Asheville Fiscal Year 2019-20 Budget Ordinance be amended to budget $943,771 in Coronavirus Relief Fund (CRF) funding in the City's Special Revenue Fund as follows:

SPECIAL REVENUE FUND

Revenues:

Intergovernmental Revenue	$943,771
Total Revenues	$943,771

Appropriations:

Various Expenses	$943,771
Total Appropriations	$943,771

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

Read, approved and adopted this 28th day of July, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

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

That the City of Asheville Fiscal Year 2019-20 Budget Ordinance be amended to budget $1.6 million in the City's Special Revenue Fund as follows for Shelter Operations:

SPECIAL REVENUE FUND

Revenues:

Private Donations	$50,000
Intergovernmental Revenue	$1,550,000
Total Revenues	$1,600,000

Appropriations:

Shelter Expenses	$1,600,000
Total Appropriations	$1,600,000

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

Read, approved and adopted this 28th day of July, 2020.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney