



Legislation Text

File #: 22-0015, Version: 1

Resolution to Amend the Council Approved Fiscal Year 2022 Budget to Accept and Appropriate the City's Local Allocation of Funds Awarded Through the American Rescue Plan Act of 2021

PURPOSE/BACKGROUND:

The United States Congress and the President of the United States recently signed the American Rescue Plan Act of 2021 ("ARPA"). A primary component of ARPA is the disbursement of \$350 billion in assistance to state, local, territorial, and tribal governments, known as Coronavirus State and Local Recovery Funds ("CLFRF"). Allocations will be sent directly to local governments. The current action is to accept and appropriate those funds that were awarded to the City of Hampton.

Discussion:

For the purposes of ARPA, independent cities are classified in the same manner as counties, resulting in the City receiving a portion of the CLFRF funds allocated for both Counties and Metropolitan Cities, as defined by ARPA. Based on that allocation formula, Hampton is scheduled to receive an allocation of \$26,126,991 as County CLFRF funds and \$22,533,427 as Metropolitan City CLFRF funds, for a combined total amount of \$48,660,418.

The funds to be received may be used solely for certain qualifying expenses, including: 1) revenue replacement for the provision of government services to the extent of the reduction in revenue caused by the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to that emergency; 2) expenses related to COVID-19 expenditures or negative economic impacts of COVID-19, including recovery and assistance to small businesses, households, and hard-hit industries and economic recovery; 3) premium pay for essential workers; and 4) investments in water, sewer, and broadband infrastructure. Localities may be required to return funds to the federal government if it is determined funds were spent for purposes that don't qualify.

The allocation of \$48,660,418 is more than one percent (1%) of the Council's Approved Fiscal Year 2022 Budget. Code of Virginia Section 15.2-2507 states that any locality may amend its budget to adjust the aggregate amount to be appropriated during the current fiscal year as shown in its currently adopted budget as prescribed by Code of Virginia Section 15.2-2504; but when any such amendment that exceeds one percent (1%) of the total expenditures shown in that currently adopted budget must be accomplished by publishing a notice of a meeting and a public hearing once in a newspaper having general circulation in that locality at least seven (7) days prior to the meeting date. A notice of public hearing for this matter appeared in the Daily Press on December 30, 2021 and January 6, 2022.

Impact:

Those CLFRF funds received will assist the City in improving its infrastructure for the betterment of its citizens, and will also allow the City to support other programs to mitigate the impact of COVID-19 has had on the City and its citizens.

Recommendation:

Hold a public hearing and approve the Resolution.

WHEREAS, the United States Congress passed and the President of the United States recently signed the American Rescue Plan Act of 2021 ("ARPA") to address the impacts of the COVID-19 pandemic;

WHEREAS, a primary component of ARPA is the disbursement of \$350 billion in assistance to state, local, territorial, and tribal governments, known as Coronavirus State and Local Recovery Funds ("CLFRF");

WHEREAS, ARPA classifies independent cities in the same manner as counties; and Hampton, as an independent city, will receive a portions of CLFRF funds allocated for both Counties and Metropolitan Cities, as defined by ARPA;

WHEREAS, the City of Hampton has received an allocation of \$24,330,209 and expects an additional allocation of \$24,330,209 by June 30, 2022;

WHEREAS, Section 15.2-2507 of the Code of Virginia of 1950, as amended, states that any locality may amend its budget to adjust the aggregate amount to be appropriated during the current fiscal year as shown in its currently adopted budget as prescribed by Section 15.2 2504, Code of Virginia of 1950, as amended, however, when any such amendment exceeds one percent (1%) of the total expenditures shown in that currently adopted budget, the amendment must be accomplished by publishing a notice of a meeting and a public hearing once in a newspaper having general circulation in that locality at least seven (7) days prior to the meeting date;

WHEREAS, the notice for this amendment was published in the Daily Press on December 30, 2021 and January 6, 2022; and

WHEREAS, a public hearing was held on January 12, 2022 regarding the proposed amendment of the Fiscal Year 2022 Council Approved Budget in the manner required by Code of Virginia Section 15.2-2507.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Hampton, Virginia that it hereby:

1. Accepts \$48,660,418 in CLFRF funds;
2. Amends the Fiscal Year 2022 Council Approved Budget to include those CLFRF funds;
3. Appropriates those CLFRF funds, all to be spent in accordance with ARPA, which is incorporated in this resolution by this reference, as follows:
 - a) \$3,736,000 to the Grants Fund to address conditions exacerbated by the

COVID-19

pandemic;

b) \$ 44,924,418 to the Capital Budget (Capital Projects) Fund for the following projects:

i) \$2,545,035 for Assistance to Residents and Outside Agencies;

ii) \$25,700,000 for Resiliency Projects; and

iii) \$16,679,383 for Infrastructure Enhancements and Maintenance;

and,

4. Authorizes the City Manager, in consultation with the Director of Finance and the Budget Manager, without any further action by City Council, to allocate those appropriations to the Grants Fund and the Capital Budget (Capital Projects) Fund within each of those funds in a manner that most efficiently and effectively achieves the objectives of this resolution.