



Legislation Text

File #: 20-0160, **Version:** 1

Resolution to Amend the Fiscal Year 2020 Approved Budget to Accept the Local Allocation of Funds to be Received through the Coronavirus, Aid, Relief, and Economic Security Act of 2020 and to Appropriate Those Funds to the Grants Fund

PURPOSE/BACKGROUND:

See Discussion.

Discussion:

Congress and the President recently signed the Coronavirus, Aid, Relief, and Economic Security ("CARES") Act of 2020. A primary component of the Act is \$150 billion in assistance to state, local, territorial, and tribal governments through the establishment of the Coronavirus Relief Fund ("CRF"). Allocations were sent to states based on population, with 55% of each share being based on total state population, and the remaining 45% being based on the local population of each state's cities and counties. Localities with populations greater than 500,000 could apply to receive funds directly. Fairfax County made such a direct request. Virginia received \$3.1 billion as its sharing (which does not include approximately \$200 million that went directly to Fairfax County). Hampton is scheduled to receive \$11,735,479 of those funds allocated to Virginia.

CRF funds may only be used for certain qualifying expenses that cover costs that (1) are necessary expenditures incurred due to COVID-19 public health emergency; (2) were not accounted for in the budget most recently approved as of March 27, 2020 for the State or local government; and (3) were incurred during the period beginning March 1, 2020 and ending December 30, 2020, all of which are more specifically detailed in a memorandum to localities from the Commonwealth's Secretary of Finance dated May 12, 2020. Localities may be required to return funds to the federal government if it is determined those funds were spent for purposes that don't qualify.

The local allocation of \$11,735, 479 is more than 1% of City's Fiscal Year 2020 Approved Budget. 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; but that 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 a public hearing for this matter appeared in the Daily Press on June 3, 2020.

Impact:

CRF funds received by the City will assist in mitigating the impact of COVID-19 has had on the City

and its citizens.

Recommendation:

Approve the Resolution.

WHEREAS, Congress passed and the President recently signed the *Coronavirus, Aid, Relief, and Economic Security Act ("CARES") Act of 2020* to address the COVID-19 pandemic;

WHEREAS, the CARES Act provides funding through assistance to state and local governments for the direct impact of the COVID-19 pandemic through the establishment of the Coronavirus Relief Fund ("CRF");

WHEREAS, the Commonwealth of Virginia has received approximately \$3.1 billion dollars in CRF Funds, a portion of which shall be allocated to the state, and a portion of which will be distributed to localities based on population;

WHEREAS, the City of Hampton has a population of 134,510 citizens representing 1.5759% percent of the total population of the Commonwealth of Virginia, resulting in an allocation of \$11,735,479 in CRF Funds under the CARES Act;

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;

WHEREAS, 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;

WHEREAS, the notice for this amendment was published on June 3, 2020; and

WHEREAS, a public hearing was held on Wednesday, June 10, 2020 regarding the proposed resolution to amend the Fiscal Year 2020 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 accepts \$11,735,479 in CRF funds, amends the Fiscal Year 2020 Council Approved Budget to include those funds, and appropriates those funds and any related supplemental funding provided by the Commonwealth of Virginia associated with this grant to the Grants Fund, to be spent in accordance with the CARES Act and that certain memorandum to localities from the Commonwealth's Secretary of Finance, dated May 12, 2020, which is incorporated in this resolution by its reference.