

City Council – Action Request Form

Date: September 13, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager

Council Action Requested:

Amendments to the FY 2021-2022 Budget Ordinances to Appropriate Coronavirus Local Fiscal Recovery Funds for the City of Winston-Salem’s Crime Prevention Plan, City Employee Premium Pay, and Legal Aid of North Carolina’s Right-to-Counsel Program

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain the City’s Financial Strength

Strategic Plan Action Item: No

Key Work Item: Yes



Summary of Information:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) to provide \$1.9 trillion in assistance to address the public health emergency and negative economic impact resulting from the COVID-19 pandemic. The ARPA included \$350 billion in assistance to state and local governments, including \$65.1 billion for metropolitan cities. The City of Winston-Salem has been allocated \$51.7 million through the ARPA’s Coronavirus Local Fiscal Recovery Fund. The City received the first tranche totaling \$25,866,036 in May 2021 and should receive the second tranche in May 2022. On August 16, 2021, the Mayor and City Council unanimously approved the acceptance of the full allocation of funds. The City must obligate all funds by December 31, 2024 and spend all funds by December 31, 2026.

At a special meeting of the City Council on August 23, City staff presented a proposed framework for using the City’s allocation of Coronavirus Local Fiscal Recovery (CLFR) funds through a phased approach. The first phase would focus on recovery assistance for small businesses, non-profits, and travel and tourism; funding for a new crime prevention plan; and

Committee Action:

Committee	<u>Finance 9/13/2021</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

premium pay for eligible City employees. Future phases would focus on transformational investments in the areas of affordable housing, economic mobility, the digital divide, job training, and economic development. This Council Action includes a budget amendment to appropriate \$2.95 million of the City’s CLFR fund allocation for the following uses:

Use	Amount
Crime Prevention Plan	\$1,350,000
City Employee Premium Pay	1,500,000
Right-to-Counsel Program	100,000
Total	\$2,950,000

The following are descriptions of each use. City staff have determined that these uses are eligible under the U.S. Treasury Department’s Interim Final Rule.

Crime Prevention Plan (\$1,350,000): As part of the adopted FY 2021-2022 budget, the Mayor and City Council appropriated \$1.35 million in general fund balance to develop a new crime prevention plan. The funding is allocated as follows:

- Increase SOAR funding (\$300,000)
- CURE/Violence Interrupters Program (\$200,000)
- Recreation Center Programming/Mentorship Stipends in High Crime Areas (\$200,000)
- Prevention Programs and Conflict Resolution for Youth (\$250,000)
- Gun Buy-Back Program (\$50,000)
- Pre-K Initiative (\$350,000)

City Employee Premium Pay (\$1,500,000): The Interim Final Rule allows the use of CLFR funds to provide premium pay for employees who perform essential work, which is defined as “work involving regular in-person interactions or regular physical handling of items that were also handled by others.” City staff propose providing a one-time premium payment of \$500 for full-time and part-time benefited employees who perform this character of work. Approximately 1,500 employees would be eligible for this payment at a total cost of \$1.5 million, including benefits.

Right-to-Counsel Program (\$100,000): As a result of the U.S. Supreme Court’s recent ruling regarding the federal extension of the eviction moratorium, community stakeholders are concerned evictions will begin to increase. While federal Emergency Rental Assistance Program funds still are available, there is concern that renters are unable to access these funds or navigate the eviction court system. A private donor has approached The United Way of Forsyth County with a commitment to fund one attorney at \$85,000 (salary and benefits) if the City matches that amount for a second attorney. Legal Aid of North Carolina’s Winston-Salem office will house and manage these right-to-counsel attorneys. The request to the City totals \$100,00 to include salary, benefits, and other operating expenses.

The CLFR funding for the crime prevention plan will free up the general fund balance appropriation approved as part of the adopted FY 2021-2022 budget for other purposes. City staff recommend using the fund balance appropriation for the following uses:

Use	Amount
Fire Station #3 Replacement	\$1,100,000
New Fire Station #13	150,000
Contribution to Winston-Salem Theatre Alliance	100,000
Total	\$1,350,000

The following are descriptions of each use.

Fire Station #3 Replacement (\$1,100,000): Bids for the construction of Fire Station # 3 were opened on April 13, 2021. Because of increased prices of construction materials, the low bid was significantly over budget, and the bids were rejected. Staff and the architect have looked at possible value engineering options like changing finishes, changing paving materials, and reducing the generator size, but none of these options is significant enough to get the cost of a fully functional fire station under the existing budget. The proposed funding would enable the City to move forward with the project based on its current design.

New Fire Station #13 (\$150,000): Fire Station # 13 also has seen cost increases after starting construction because the required 60-day price hold ran out before the contract could be executed. These cost increases have used up most of the construction contingency.

Contribution to Winston-Salem Theatre Alliance (\$100,000): City officials have received a request from the Winston-Salem Theatre Alliance to support the opening of their new venue located at 650 West Sixth Street, as part of their \$1.5 million “Homecoming Campaign.” Council Member Mundy and Council Member Larson have requested consideration of this ask.

This Council Action includes amendments to the FY 2021-2022 budget ordinances to appropriate the CLFR funds for the uses described above and to reallocate the general fund balance appropriation to address the needs presented by staff.