

City Council – Action Request Form

Date: August 10, 2020

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

From: Ben Rowe, Assistant City Manager

Council Action Requested:

Resolution Approving the Use of Coronavirus Relief Funds and Authorizing the City Manager to Enter into an Interlocal Agreement with Forsyth County for Grant of those Funds

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain City’s Financial Strength

Strategic Plan Action Item: No

Key Work Item: Yes



Summary of Information:

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, which created the federal Coronavirus Relief Fund (CRF) and provided \$150 billion to states and local governments with populations over 500,000. North Carolina received \$7.6 billion, and on May 4, 2020, Governor Cooper signed Session Law 2020-4, which appropriated \$150 million in CRF funds to be distributed to the 97 counties that did not receive direct federal assistance. At that time, Forsyth County received \$6.5 million in CRF funds, and the Forsyth County Board of Commissioners allocated \$1.0 million to the municipalities within the county, including \$774,738 to Winston-Salem. Subsequently, on July 1, 2020, Governor Cooper signed Session Law 2020-80, which appropriated an additional \$150 million in CRF funds, bringing the total assistance to local governments to \$300 million. Under this law, counties must allocate at least 25% of their total distribution to the municipalities within the county. Forsyth County received a total distribution of \$13.9 million as a result of these two state laws and plans to distribute \$3,472,407 to the municipalities within the county. From that total, the City of Winston-Salem will receive \$2,690,204. According to guidance issued by the United States Treasury, CRF funds must be spent on COVID-19-related needs, including medical expenses, public health

Committee Action:

Committee	Finance 8/10/2020	Action	Approval
For	Unanimous	Against	

Remarks:

expenses, payroll expenses for employees whose services are substantially dedicated to mitigating and responding to the COVID-19 public health emergency, expenses to facilitate compliance with COVID-19-related public health measures, expenses associated with the provision of economic support in connection with the COVID-19, and any other COVID-19-related expenses reasonably necessary to the function of government. Revenue replacement is not an eligible use of CRF funds.

There are a number of reporting requirements that the City will have to meet in order to receive and use the funds. The following are key provisions:

- CRF funds should be budgeted and accounted for in a special revenue fund.
- Funds must not be accounted for in the FY 2019-2020 budget.
- Expenses must be related to the COVID-19 public health emergency and have been incurred between March 1, 2020 and December 31, 2020.
- All expenditures are subject to an audit.
- Local governments are responsible for documenting the dedication and duties.

Counties must submit their plans for using the funds, including any municipal plans, by September 1, 2020. After that, counties must submit monthly reports to the N.C. Pandemic Recovery Office and include the following information: use of funds, unspent amounts, and subrecipients' use of funds. Final reports currently are projected to be due by March 15, 2021.

In order for Forsyth County municipalities to receive their distributions from the County, they must enter into an interlocal agreement for the grant of Coronavirus Relief Funds and provide a resolution approving the municipality's use of the funds. Attached to this Council Action is the draft interlocal agreement from Forsyth County. The Board of Commissioners are scheduled to consider the agreement for approval on August 6.

City management proposes to use the CRF funds to cover existing public safety salaries for sworn police and certified fire personnel paid during FY 2020-2021. City staff will submit the plan detailing the use of the funds for this purpose prior to the September 1 deadline. The attached resolution approves the interlocal agreement with Forsyth County and authorizes the use of the CRF funds to cover existing public safety salaries paid during FY 2020-2021.

In addition to this resolution, this Council Action also includes a budget amendment to appropriate the \$2,690,204 in City's grants fund. As a result of using the CRF funds to cover existing public safety salaries accounted for in the general fund, the budget amendment transfers \$1,000,000 in Police Department revenues, to the grants fund for anti-poverty initiatives developed by the Citizens Investment Review Committee. The amendment also reduces the use of fund balance appropriation by \$1,690,204.