

CITY OF HIGH POINT

AGENDA ITEM



Title: Grant Project Ordinance – Coronavirus State and Local Fiscal Recovery Funds

From: Stephen M. Hawryluk
Budget and Performance Manager

Meeting Date: February 21, 2022

Public Hearing: No

**Advertising Date /
Advertised By:** N/A

Attachments: Grant Project Ordinance

PURPOSE:

A grant project ordinance is needed to create a special revenue fund and appropriate \$22,699,511 in American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

BACKGROUND:

The City of High Point has received the first tranche in the amount of \$11,349,755.50 of CSLFRF funds. The total allocation is \$22,699,511, with the remainder to be distributed to the city within 12 months. The proposed amendment appropriates the total allocation. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

- 1) Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- 2) Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- 3) Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- 4) Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- 5) Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

At a Special Meeting of the City Council on Monday, February 7, 2022, the Mayor and City Council approved the use of revenue loss dollars to fund critical items that were deferred during last year's budget, totaling \$5,862,085.

Guidance received from the UNC School of Government states that "A local government is fully allowed to supplant existing local government revenue sources for any of the eligible general government services." Taking this guidance into consideration and to reduce the administrative burden of federal uniform guidance, the revenue loss dollars approved by the Mayor and City Council will be used to fund Police Department services (salaries and benefits), freeing up the \$5,862,085 needed to cover the critical items approved by the Mayor and City Council.

Additional budget ordinance amendments will follow this item to 1) transfer the federal funds received last spring into the new special revenue fund, and 2) set up the budgets for the critical items deferred during last year's budget.

The proposed amendment appropriates funding for the following projects, with the remainder to be unassigned:

Police Services	\$5,862,085
Unassigned	\$16,837,426

Unassigned funds will be transferred for projects as they are approved by the Mayor and City Council.

BUDGET IMPACT:

There is no local budget impact. These are 100% federal funds.

RECOMMENDATION / ACTIONS REQUESTED:

The Financial Services Department recommends and asks the City Council to approve the grant project ordinance creating a special revenue fund and appropriating \$22,699,511 in American Rescue Plan Act of 2021: Coronavirus State and Local Fiscal Recovery Funds.

“A GRANT PROJECT ORDINANCE AMENDMENT
OF THE CITY OF HIGH POINT, NORTH CAROLINA FOR THE
AMERICAN RESCUE PLAN ACT OF 2021:
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Be it ordained by the City Council of the City of High Point, North Carolina, that,
pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the
following Grant Project Ordinance is hereby adopted:

Section 1. This ordinance is to establish a special revenue fund and budget for projects to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (CSLFRF). The City of High Point has received the first tranche in the amount of \$11,349,755.50 of CSLFRF funds. The total allocation is \$22,699,511, with the remainder to be distributed to the city within 12 months. The proposed amendment appropriates the total allocation. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

- 1) Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- 2) Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- 3) Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- 4) Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- 5) Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Section 2. The following revenue is available to the City of High Point:

Federal Grant Revenue	\$22,699,511
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Section 3. The following amounts are appropriated for the following Projects:

Police Services	\$5,862,085
Unassigned	\$16,837,426

Section 4. The Financial Services Director is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements.

Section 5. The Finance Officer is hereby directed to report the financial status of the project to the governing board on an annual basis.

Section 6. Copies of this grant project ordinance shall be made available to the City Manager and the Financial Services Director for direction in carrying out these projects.

Section 7. This grant project ordinance expires on December 31, 2026, or when all the CSLFRF funds have been obligated and expended by the City, whichever occurs sooner.”

Adopted by High Point City Council, this the 21st day of February 2022

Mayor, Jay W. Wagner

ATTEST

Lisa B. Vierling,
City Clerk