



Legislation Text

File #: 20-286, **Version:** 1

TITLE:

CARES Act Grant Expenditure Plan

PURPOSE: The purpose of this agenda item is for Town Council to approve a plan on how to spend the CARES Act grant funds.

DEPARTMENT: Town Manager & Finance

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INFORMATION: The North Carolina Pandemic Recovery Office (NCPRO) is requiring that all recipients of CARES Act funding, submit a Coronavirus Relief Fund Plan (CRFP) by September 1, 2020. This plan should state how the Town plans to spend all of the CARES Act monies received, on eligible expenditures related to the pandemic, through December 30, 2020. The plan can be amended at a later date.

The CARES Act defines a variety of expenditures that are eligible for this funding. Using CARES funding to replace lost revenues for the Town is not allowable, however, both the House and Senate bills that were being discussed last week did include revenue replacement as an eligible use of funding. Since this has not yet been approved, it cannot be included in our CRFP.

Included in this agenda item is a summary of COVID-19 expenditures to date (Attachment 1). These expenditures qualify for FEMA and/or CARES Act funding.

Attachments 2 and 3 include different CRFP's for the Council's consideration. The column titled "1st allotment" shows what was already allocated by Council when we received the first allotment in June. Attachment 2 (Option A) includes an amount of \$137,736.70 for public safety payroll related expenses. This expenditure is also eligible for FEMA funding. The \$137K allocation satisfies the plan requirements and provides some flexibility within the plan. Should future needs arise, this expenditure could be shifted back to a FEMA reimbursement and these funds reallocated to an expense that is only covered by CARES funds.

Attachment 3 (Option B) does not include the public safety payroll related expenses and provides various funding as shown.

Attachment 4 includes a budget amendment related to the 1st allotment of CARES funding. This amendment is somewhat of an accounting housekeeping item since the CARES Act stated that funds should be allocated to a Special Revenue Fund instead of the General Fund. This amendment simply shifts the funds between those two fund types.

Attachment 5 includes a budget amendment, based on Option A, for the 2nd allotment of CARES Act funding.

FISCAL & STAFF IMPACT: The Plan provides some guidelines as to how the Council wishes to spend the CARES Act grant funds.

RECOMMENDATION: Approve the proposed Option A plan (Attachment 2) to be submitted to Orange County by September 1, 2020. Approve the FY21 budget amendments (Attachments 4 and 5).