



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: October 5, 2020
RE: Supplemental Appropriation for CARES Act Funds

Summary: Consider a supplemental appropriation in the amount of \$4,625,442 for funds received through the Coronavirus Relief Fund.

Background: On August 17, 2020, the city received from the State of Virginia its second one-half allocation of the Federal CARES Act Coronavirus Relief Funds (CRF).

Key Issues: Due to the current COVID-19 pandemic, Congress made available to states and localities funding to be used for costs related to responding to the pandemic. The city was allocated its second one-half allocation of CRF funding in the amount of \$4,625,442 by the State of Virginia. These funds, based on guidance provided by the U.S. Treasury, may only be expended on costs incurred responding to or mitigating the impact of the pandemic. At its September 22, 2020 meeting, City Council approved a spending plan for these funds.

This supplemental appropriation represents an increase of over 1% of the total city budget. Code of Virginia Section 15.2-2507 requires a public hearing for budget amendments that exceed 1% of the budget.

Environmental Impact: None.

Fiscal Impact: The General Fund budget will increase \$4,625,442.

Prior Actions: Plan approved by City Council at its September 22, 2020 meeting.

Alternatives: Do not approve the supplemental appropriation.

Community Engagement: City Council established a CARES Act Advisory Task Force and a Public Hearing notice was advertised in the Daily News-Record on October 5, 2020.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation and Public Hearing Notice.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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