



City Council Item Routing Sheet

Committee: Finance and Budget

Hearing Date: January 5, 2021

Ordinance

Resolution

Grant Acceptance

Budget Amendment

Commendation

Other: [Click here to enter text.](#)

Item Description (Not the caption, but what does it do):

Request reallocation of CARES Act CRF proceeds from resolution passed December 15, 2020

Recommended Council Action: Approve the resolution.

Describe previous action taken by any other entity (i.e. board, commission, task force, council committee, etc.) and date of any action taken: City Council Resolution approved December 15, 2020

Does this item require city expenditure? No

Total expenditure already approved

Source and Amount of Funds:

Source:

Use of Restricted CARES Act Funding

Approvals

Director _____ Date _____

Division Chief Shirley Ford Date 12/31/2020

Budget Manager _____ Date _____

Chief Financial Officer Shirley Ford Date 12/31/2020

Chief Legal Officer/City

Attorney _____ Date _____

Chief Operating Officer

Council Committee Chair



Memphis City Council Summary Sheet

1. Description of the Item (Resolution, Ordinance, etc.)

Resolution for CARES Act CRF Funding Reallocation January 2021

2. Initiating Party (e.g. Public Works, at request of City Council, etc.)

Finance Division

3. State whether this is a change to an existing ordinance or resolution, if applicable.

This item amends the Council allocation resolution passed on December 15, 2020.

4. State whether this requires a new contract, or amends an existing contract, if applicable.

This item does not require a new contract or amend an existing contract.

5. State whether this requires an expenditure of funds/requires a budget amendment.

This item does not require an additional expenditure of funds, but a reallocation of funds previously approved in the CARES Act CRF Resolution dated December 15, 2020.



RESOLUTION for CARES Act Funding Reallocation January 2021

WHEREAS, the US Department of Treasury through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) - Coronavirus Relief Fund (CRF), has provided payments to assist State, Local, and Tribal governments in navigating the impact of the COVID-19 outbreak; and

WHEREAS, The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

WHEREAS, in March 2020, the City of Memphis received federal CARES Act funding in the amount of \$113,607,218 and presented a Strategic Plan for proposed resource allocation, related program development, and implementation timing; and

WHEREAS, on December 27, 2020, the federal imposed deadline to expend funds for actions taken to respond to the public health emergency and to respond to second-order effects of the pandemic emergency was extended to December 2021; and

WHEREAS, on December 15, 2020, Council passed a final allocation resolution regarding the CARES Act CRF proceeds based on the then existing deadline of December 30, 2020, and

WHEREAS, in consideration of the extension of the deadline for the expending of CARES Act CRF proceeds for on-going and continued response to the COVID-19 pandemic; and

WHEREAS, given the timing of necessary expenditures that have been incurred since March 1, 2020, and continue to be incurred and expended for actions taken to respond to the public health emergency, there is particular urgency in approving reallocation of relief funding for the impact on the City's General fund and to respond to second-order effects of the pandemic emergency; and

WHEREAS, it is advantageous to reallocate CARES Act CRF proceeds that were previously approved by Council in the various programs and relief funds established therein; specifically, those related to General Fund personnel expenditures in the amount of \$9,900,000; and

WHEREAS, upon approval, the City of Memphis will continue to administer and provide programs and relief funds as identified below; and

WHEREAS, it is necessary for the general fund budget to be amended in accordance with Tennessee Constitution Article 2 § 24, TCA § 9-1-116, Municipal Budget Law of 1982 to accommodate approved spending allocation and appropriation of CARES Act CRF funding.

NOW, THEREFORE BE IT RESOLVED, that the following reallocation of expenditures incurred for actions taken to respond to the public health emergency be approved as allocated and appropriated through the Coronavirus Relief Funding under section 601 (a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) as follows:

Testing – Education & Administration of Vaccine	\$ 2,000,000
Continued Hazard Pay (Level 1 January – March 2021)	\$ 3,000,000
First Responder Personnel Expenditure (January – March 2021)	\$ 2,000,000
Stabilization Grants for remaining applicants in queue	\$ 1,200,000
Additional CERP Funding	\$ 1,000,000
City Owned Assets: Convention Center & Liberty Bowl	<u>\$ 700,000</u>
Total Reallocation	<u>\$ 9,900,000</u>

BE IT FURTHER RESOLVED, that the City employed a very conservative approach to allowable personnel expenditures which provides the opportunity for additional allowable offsets, and that any remaining CARES Act CRF proceeds be applied to allowable expenditures for personnel as provided in the guidelines of the Office of Inspector General of the Federal Government; and

BE IT FURTHER RESOLVED, that City Administration has approval for appropriation and funding of reallocated proceeds to the maximum dollar allowable under the Coronavirus Relief Funding under section 601 (a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) as deemed appropriate, the welfare of the City and its Citizens requiring it.