



Albemarle County

Legislation Text

File #: 21-198, **Version:** 1

AGENDA DATE: 2/17/2021

TITLE:

CARES CRF final report and potential uses of the Pandemic Response, Recovery and Reconstitution and Contingency Reserve and the Advancing Strategic Priorities Reserve

SUBJECT/PROPOSAL/REQUEST: Receive a final report on the County's CARES CRF funding, and discuss potential uses of the Pandemic Response, Recovery and Reconstitution and Contingency Reserve and the Advancing Strategic Priorities Reserve

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Kamptner, Walker, Henry, Birch, Stewart, Culp, Allshouse, L. Bowman, Mitchell

PRESENTER (S): Nelsie Birch, Trevor Henry, Kristy Shifflett, Mike Culp, and Lance Stewart

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND:

The County's CARES Act Coronavirus Relief Fund (CRF) Grant and the County's establishment of the Pandemic Response, Recovery and Reconstitution and Contingency Reserve:

On June 1, 2020, the County received \$9.5M in the first tranche of the CARES Coronavirus Relief Fund (CRF) and on August 17, 2020, the County received an additional \$9.5M in CARES CRF funding (second tranche) for a total of \$19M.

Throughout the Fall of 2020, the Federal government provided additional clarity to the CARES CRF compliance regulations. Updated Federal regulations positioned the County to be able to utilize a portion of CARES CRF funding to support eligible public safety pandemic-related expenses that were included in the FY 21 budget. This, in turn, provided an opportunity for the Board to utilize these reimbursed expenditures to establish a pandemic reserve to address pandemic-related needs that would no longer be bound by a specific timeline or grant restrictions.

On December 16, 2020, the Board approved the establishment of and an appropriation of \$6.85M into a Pandemic Response, Recovery and Reconstitution and Contingency Reserve to be used to support pandemic-related expenses such as, but not limited to, human and community services, economic development, technology, and general County services. In addition to pandemic-related expenses, this reserve may be used to support advancing strategic priorities and may be used as a contingency for other unanticipated priority needs.

On January 20, 2021, the Board received a CARES CRF Summary Report on its Consent Agenda.

Advancing Strategic Priorities Reserve:

As part of the FY 20 capital budget development process, the Board of Supervisors established an Advancing Strategic Priorities Reserve in the Capital Budget to support potential strategic plan priority projects or to provide funding for other emerging organizational needs. On May 15, 2019, the Board approved an appropriation of \$2M to this reserve.

On January 15, 2020, the Board approved a process for the use of this reserve. The process requires that staff review potential uses based on criteria including: 1) strategic plan connection, 2) leveraging opportunities, and 3) other considerations such as timing, safety, urgency and connection to other County plans prior to bringing requests for uses of the reserve to the Board.

On March 17, 2020, upon learning of the COVID-19 pandemic emergency, the Board amended the FY 21 Budget development schedule. Uses of all reserves, including the Advancing Strategic Priorities Reserve, was put on hold until more was known about the impacts of the pandemic.

On May 14, 2020, the Board adopted an amended FY 21 Budget. Due to the unknown duration of the pandemic, the amended FY 21 budget strategy was designed with a “3-6-6” incremental approach to monitor the impacts of the pandemic on the budget. The “3” referred to the last quarter of FY 20, the first “6” referred to the first half of FY 21 and the second “6” referred to the last half of FY 21.

On June 3, 2020, the Board approved an appropriation of an additional \$1.56M to the Advancing Strategic Priorities Capital Reserve from end-of-year funding, for a total of \$3.56M.

On January 20, 2021, the Board received information on the 2020 real estate reassessments and the County's economic outlook. Although there continues to be some uncertainty in the consumer and business-driven revenues, staff forecasted that the FY 22 local funding outlook is stabilizing and likely will stabilize by FY 23. Given this, the Board has an opportunity to use a portion of the County's reserves to support community needs.

Broadband Accessibility and Affordability:

On October 21, 2020, the Board and School Board held a joint work session to discuss the development of the FY 22 Capital Budget within the context of affordability restraints. During the work session, several Board members identified greater broadband accessibility and affordability as an emerging need for the community especially during the pandemic.

On November 18, 2020, during the Board's Strategic Plan Review and Capital Planning work session, Mr. Jeff Richardson, County Executive, stated that staff would bring additional information on broadband accessibility and affordability back to the Board for further discussion.

On December 9, 2020, staff, per the direction of the Albemarle Broadband Authority (ABBA), submitted an enhanced broadband program and budget request for FY 21 and FY 22 to Jeff Richardson, County Executive and Nelsie Birch, Chief Financial Officer (Attachment A). This document included a request for one-time funds to initiate further broadband expansion projects with one or more internet service providers that are working in rural areas and funding to start up a broadband office and program to support affordable access through an equity lens.

Solid Waste Convenience Center project: On February 25, 2020, the Board discussed increasing the reserve by utilizing end-of-year funding and potentially utilizing a portion of the reserve towards the development of a Solid Waste Convenience Center. The Board also discussed other items that potentially could be funded by the reserve, such as funding an intersection at Earlysville and Reas Ford Roads and transit-related items.

On November 18, 2020, during the Board's Strategic Plan Review and Capital Planning work session, interest

was expressed interest to have a future discussion of the use of the Advancing Strategic Priorities Reserve for the development of a Convenience Center in Southern Albemarle.

On February 3, 2021, Mr. Lance Stewart, Director, Facilities & Environmental Services submitted a project development update memo for a potential Southern Albemarle Convenience Center. The memo (Attachment B) provides site selection considerations, programming assumptions, estimated costs and an estimated timeline.

STRATEGIC PLAN: Mission Statement: To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: On Feb 17, 2021, the Board will receive the second quarter financial report for FY 21, which provides important financial data for the first “6” of the “3-6-6” timeframe. The data in the report continues to indicate that while uncertainty still exists for some revenues, the County’s overall revenues are improving and are stronger than staff anticipated at the beginning of the pandemic. During this work session, staff will provide a CARES CRF report, and will present information regarding two opportunities in which the County could utilize a portion of the County’s reserves for emerging community needs.

Staff will provide a recommendation to utilize a portion of funding available in the Pandemic Response, Recovery and Reconstitution and Contingency Reserve and the Advancing Strategic Priorities Reserve to improve broadband connectivity and affordable accessibility. Due to the impacts of COVID-19, broadband expansion has become an increasingly essential need in the County and expenses associated with broadband expansion and affordability could be addressed utilizing funding that is currently in these reserves.

Second, staff will provide information and a recommendation to utilize a portion of the Advancing Strategic Priorities Reserve to support the site identification and future development of a Southern Albemarle Convenience Center.

BUDGET IMPACT: These recommendations will be for one-time use of existing FY 21 reserves. Ongoing operating support would be required for both efforts in subsequent years. The FY 22 Recommended Budget, that will be presented to the Board of Supervisors on February 24, 2021, will provide a strategy for on-going funding for broadband-related operating expenses. Operating costs for a Southern Albemarle Convenience Center, if approved, are anticipated in FY 23.

RECOMMENDATION:

Staff recommends providing \$3M, of which \$2M would be provided from the Pandemic Response, Recovery and Reconstitution and Contingency Reserve and \$1M would be provided from the Advancing Strategic Priorities Reserve to ABBA, to support Broadband connectivity and affordability.

Secondly, staff recommends providing \$1.1M from the Advancing Strategic Priorities Reserve to support the development of a Southern Albemarle Convenience Center. If additional funding is required for Convenience Center-related land acquisition, staff will bring a subsequent appropriation request to the Board.

If the Board approves these recommendations, staff will prepare appropriation requests for the Board’s consideration and approval in March 2021.

ATTACHMENTS:

A - December 9, 2020 ABBA Funding Request

B - February 3, 2020 Southern Albemarle Convenience Center Project Development Update Memo