

Issue Analysis Form



Date: October 11, 2022
Public Hearing for Budget Amendment / Appropriation of Tranche 2 ARPA American Recovery Act Plan Funds
Item: County Finance; County Administration
Lead Department(s): Betsy Drewry; Jeffrey D. Stoke
Contact Person(s): Stoke

Description and Current Status

The Federal government will deliver tranche 2 (second installment) of \$350 billion in **Coronavirus State and Local Fiscal Recovery Funds – American Recovery Plan Act (ARPA)** for State, Local, Territorial, and Tribal Government to respond to the COVID-19 Emergency and Bring Back Jobs.

Prince George County has received a total of \$7,449,621, and received tranche one in August of 2021, and **received tranche two (second installment) of \$3,724,810.50 on August 11, 2022.**

The funds may be used by recipients to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **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;
- **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,
- **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.

The majority of funding, to date, has been committed to needed Utility infrastructure projects (at least \$6 Million – FY2022 and Adopted FY2023 budget). The Board took action to earmark \$235,177.00 for fiber upgrades on September 27, 2022. See updated summary of uses and commitments as **Attachment B**.

The budget amendment to appropriate Tranche 2 of \$3,724,810.50, if approved, requires a public hearing because the amount exceeds 1% of the adopted FY2023 budget (Adopted FY2023 budget = \$160,016,873; 1% = \$1,600,168). The Code of Virginia §15.2-2507 requires a public hearing for budget amendments exceeding 1% of the adopted fiscal plan.

The Board authorized advertisement of an October 11 public hearing on September 13. The Public Hearing notice was published in the Thursday September 29, 2022 edition of The Progress Index (see advertisement as **Attachment A**).

As outlined in Attachment B, the FY2023 adopted budget called for the use of at least \$6 Million in Utility Infrastructure improvements. \$2,758,525 of Tranche 1 resides in Utility Projects or Utility Project Contingency, leaving \$3,241,475 of Tranche 2 for use on Utility infrastructure improvements. The appropriation entry below reflects use of \$3,241,475 of tranche 2 for Utility projects to reach a total of \$6 Million in Utility infrastructure improvements. The remaining balance of \$483,335.50 is shown in contingency.

Appropriation Entry

Revenues:

0231-30-601-8305-330400 ARPA CSLFRF Revenues	\$3,724,810.50
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Expenditures:

0231-04-104-7003-49199 ARPA Utility Contingencies	\$3,241,475.00
0231-03-500-0612-49199 ARPA CSLFRF Contingencies	483,335.50
Total	\$3,724,810.50

A brief presentation introducing the Public Hearing is provided as **Attachment C**.

Board Action Requested following Public Hearing:

Appropriate \$3,724,810.50 of Tranche 2 federal **Coronavirus State and Local Fiscal Recovery Funds- American Recovery Plan Act (ARPA)**; draft resolution enclosed for review and consideration.

- | | | |
|---|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If so, before what date? [at least 7 days prior to public hearing] | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

Approval of the appropriation of federal American Recovery Plan Act funds will allow the County to use the funds in accordance with federal guidance.

A separate fund has been established to track costs and relief measures and provide appropriate accountability.

County Impact

Approval of this appropriation will allow staff to move forward to expend funds in accordance with Board approved initiatives and federal guidelines.

Notes

Ad Preview

ATTACHMENT A

**COUNTY OF PRINCE
GEORGE
NOTICE OF PUBLIC
HEARING
PROPOSED AMENDMENT
TO FY23 BUDGET**

Notice is hereby given pursuant to Section 15.2-2007, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed Amendment to the Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, October 11, 2022, beginning at 7:30 a.m. in the Boardroom at the County Administration Building, Third Floor, 4602 Courts Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2023 and ending June 30, 2023. The County received franchise 7 in Coronavirus State and Local Fiscal Recovery Funds from the U. S. Department of Treasury on August 31, 2022 totaling \$3,724,818.50. The Recovery Funds may be used to:

- 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 infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The Board will receive recommendations to use these funds for business and citizen relief initiatives, and for allowable water and sewer infrastructure improvements, and, if needed, to cover County expenditures made in response to the Coronavirus pandemic.

A copy of the related material can be examined in the County Administration Department of the County Administration Building. The building is open from Monday - Friday, 8:30 AM - 5:00 PM.

By Authority of
Jeffrey D. Stoke
County Administrator
COUNTY OF PRINCE
GEORGE
September 29, 2022 #770188

State and Local Fiscal Recovery Funds - American Recovery Plan Act (ARPA)

Tranche 1	3,724,810.50
Tranche 2	3,724,810.50
Total	7,449,621.00

TRANCHE 1

Expenditures and Commitments to Date:	Committed	Expended
Call Center Employees - Compensation (3/3/21 -7/2/2021)	22,208.53	22,208.53
Cleaning Staff - Compensation (3/3/21 - 7/31/21)	27,873.13	27,873.13
Swag-It - Board Meeting Platform	100,766.20	100,766.20
Air Filtration System for Courthouse	175,625.00	175,625.00
Car Tax Rebate - Citizen Relief {Rebates \$138,224.77 + Part-Time Employee & Postage Costs}	144,504.33	144,504.33
Utilities Projects	2,758,525.00	-
Fiber Upgrades	235,177.00	-
Contingency / Uncommitted	260,131.31	-
	3,724,810.50	470,977.19

TRANCHE 2

Expenditures and Commitments to Date:	Committed	Expended
Utilities Projects	3,241,475.00	-
Contingency / Uncommitted	483,335.50	-
	3,724,810.50	-

Total Utilities Projects (Tranches 1 and 2)	6,000,000.00
Total Contingency / Uncommitted (Tranches 1 and 2)	743,466.81

Fiber Upgrades totaling \$235,177 approved on September 27, 2022 reflected above.

Funds must be obligated by December 31, 2024 and those obligations fully expended by December 31, 2026.

Utilities Project Timing and Priorities have shifted, prices continue to increase, and timeline for delivery of certain materials continues to lengthen. Updated Utilities projects recommended for ARPA funding use are as follows:

Force Main Realignment - Southpointe Business Park	2,600,000.00
Construction of 24" Water Line under Appomattox River	2,800,000.00
SPS 9 (Route 460) Rehabilitation - Construction	300,000.00
SPS10 (Route 460) Rehabilitation - Construction	300,000.00
TOTAL	6,000,000.00

ATTACHMENT C

**Public Hearing American Recovery
Plan Act – Coronavirus State and
Local Fiscal Recovery Funds –
Appropriation – \$3,724,810.50
TRANCHE 2**

October 11, 2022



ARPA – Coronavirus State and Local Fiscal Recovery Funds

- ▶ Federal Government providing \$350 Billion in emergency funding to eligible state, local, territorial and Tribal governments
- ▶ Funding arriving in June after certification received from locality; currently going through identification process
- ▶ Prince George County has received 2 equal tranches of \$3,724,810.50 totaling \$7,449,621 – TRANCHE 1 – \$3,724,810.50 (1st Half) appropriated on June 8, 2021
- ▶ TRANCHE 2 \$3,724,810.50 (2nd Half) received August 11, 2022 – NOT YET APPROPRIATED
- ▶ Any amounts Schools are receiving as separate ARPA funding currently unknown (or planned uses) – \$123 Billion is being provided for K-12 Education (separate from Local Fiscal Recovery Funds)

ARPA LFRF Funding

▶ Relief Targeted to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

ARPA LFRF Funding Allowable Uses

ATTACHMENT

▶ May be Used to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **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;
- **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,
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ARPA LFRF Funding Ineligible Uses

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.



Budget Amendment Requires Public Hearing

Any Budget Amendment that is over 1% of the adopted budget requires a public hearing {Code of Virginia §15.2-2507}

One Advertisement in paper at least 7 days prior to public hearing

FY2023 Adopted Budget = \$160,016,873

1% = \$1,600,168

Appropriation of \$1,600,168 or more requires public hearing

ARPA LFRF= \$3,724,810.50 {Tranche 2}

Budget Amendment Requires Public Hearing

ATTACHMENT C

Board provided authority to advertise an October 11 public hearing on September 13, 2022

Published in Thursday September 29, 2022 Edition of *The Progress Index*

COUNTY OF PRINCE GEORGE
NOTICE OF PUBLIC HEARING
PROPOSED AMENDMENT TO FY23 BUDGET
Notice is hereby given pursuant to Section 15.2-2507, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on the proposed Amendment to the Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting, of Tuesday, October 11, 2022, beginning at 7:30 a.m. in the Boardroom of the County Administration Building, Third Floor, 4600 Curtis Drive, Prince George, Virginia, for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023. The County received franchise fees in Coronavirus State and Local Fiscal Recovery Funds from the U. S. Department of Treasury on August 11, 2022 totaling \$3,724,810.50. The Recovery Funds may be used to:
1) Support public health expenditures in 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.
The Board will receive recommendations to use these funds for business and citizen relief initiatives, and for allowable water and sewer infrastructure improvements, and, if needed, to cover County expenditures made in response to the Coronavirus pandemic.
A copy of the related material can be examined in the County Administration Department of the County Administration Building. The building is open from Monday - Friday, 8:30 AM - 5:00 PM.
By Authority of
Jeffrey D. Stoke
County Administrator
COUNTY OF PRINCE GEORGE
September 29, 2022 17790143

ARPA LFRF Funding

ATTACHMENT C

- ▶ Separate accounting – Established Fund 0231
 - Access will be restricted to ensure only appropriate expenditures coded to ARPA LFRF funding

State and Local Fiscal Recovery Funds - American Recovery Plan Act (ARPA)		
Tranche 1	3,724,810.50	
Tranche 2	3,724,810.50	
Total	7,449,621.00	
TRANCHE 1		
Expenditures and Commitments to Date:	Committed	Expended
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Utilities Projects	2,758,525.00	-
Fiber Upgrades	235,177.00	-
Contingency / Uncommitted	260,131.31	-
	3,724,810.50	470,977.19
TRANCHE 2		
Expenditures and Commitments to Date:	Committed	Expended
Utilities Projects	3,241,475.00	-
Contingency / Uncommitted	483,335.50	-
	3,724,810.50	-
Total Utilities Projects (Tranches 1 and 2)	6,000,000.00	
Total Contingency / Uncommitted (Tranches 1 and 2)	743,466.81	

ARPA LFRF Funding

ATTACHMENT C

▶ Appropriation Entry {Tranche 2}

Appropriation Entry

Revenues:

0231-30-601-8305-330400 ARPA CSLFRF Revenues	\$3,724,810.50
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Expenditures:

0231-04-104-7003-49199 ARPA Utility Contingencies	\$3,241,475.00
0231-03-500-0612-49199 ARPA CSLFRF Contingencies	483,335.50
Total	\$3,724,810.50



ARPA LFRF Funding

- ▶ Appropriation Spans Multiple Years
 - Staff has included language in draft resolution which states that appropriation will not lapse on June 30, 2023 [award spans multiple fiscal years; similar to CIP Fund]

BE IT FURTHER RESOLVED That the appropriations designated for ARPA Coronavirus State and Local Fiscal Recovery Funds will not lapse at the end of Fiscal Year 2023, but shall remain appropriated until the award period ends, which is estimated at December 31, 2024; December 31, 2026 if obligated by December 31, 2024.



ARPA LFRF Funding – Board Action

- ▶ Board Action following public hearing – Approval of appropriation of ARPA funds Tranche 2 by resolution of \$3,724,810.50 [draft resolution in packet]
- ▶ Questions?

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 11th day of October, 2022:

Present:

Marlene J. Waymack, Chair
Donald R. Hunter, Vice-Chair
Floyd M. Brown, Jr.
Alan R. Carmichael
T. J. Webb

Vote:

P-1

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROPRIATION (\$3,724,810.50 AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS – TRANCHE 2)

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 11th day of October, 2022, does hereby authorize the following increase of funds within the 2022-2023 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

<u>FUND/ORGANIZATION</u>	<u>AMOUNT</u>
Special Revenue Fund 0231	
<u>Revenue:</u>	
0231-30-601-8305-330400 ARPA Coronavirus State and Local Fiscal Recovery Funds	\$3,724,810.50
 <u>Expenditure:</u>	
0231-04-104-7003-49199 ARPA Utility Project Contingency	\$3,241,475.00
0231-03-500-0612-49199 ARPA Coronavirus State and Local Fiscal Recovery Funds Contingency	\$ 483,335.50

BE IT FURTHER RESOLVED That the appropriations designated for ARPA Coronavirus State and Local Fiscal Recovery Funds will not lapse at the end of Fiscal Year 2023, but shall remain appropriated until the award period ends, which is estimated at December 31, 2024; December 31, 2026 if obligated by December 31, 2024.

A Copy Teste:

Jeffrey D. Stoke
County Administrator