



Legislation Text

File #: 1129-2020, **Version:** 1

BACKGROUND: The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. The Act established the Coronavirus Relief Fund, and authorized The U.S. Treasury to make payments from the Fund to states and eligible units of local government, including the City of Columbus, to address the effects of this public health emergency.

Where expenditures require City Council approval in accordance with Columbus City Code, city departments will advance said legislation for consideration by City Council.

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.

The Department of Finance and Management will be responsible for monitoring the distribution and appropriate expenditure of CARES Act funds based on guidance provided by the United States Department of Treasury. In conjunction with the City Auditor, the Department of Finance and Management is requesting these funds be appropriated to sub-funds established to support the delivery of critical City services directly related to COVID-19 response; human services and support of human services agencies impacted by COVID-19; and support for COVID-19 economic recovery and resiliency efforts. Establishing these sub-funds will assure expenditures are aligned with the priorities established by the Mayor and City Council and will help facilitate the proper accounting of COVID-19 related expenditures.

Furthermore, the City Treasurer, upon receipt of the funds, deposited the funds into a StarOhio account until such time that this appropriation ordinance was processed. Generally with past federal dollar advances, the city must track and report interest earned on those monies. Since it is not yet clear how the CARES Act funding must be accounted for as it relates to interest earned, it is in the best interest of the city to establish a fourth sub-fund for any interest earnings.

Emergency Designation: Emergency consideration is requested so that funds made available to the city can begin to be used as quickly as possible. A process will be instituted to allow the Department of Finance and Management and the City Auditor to transfer appropriations to City agencies.

Fiscal Impact: The city received \$156,790,569.40 in funding from the U.S. Treasury. Acceptance and appropriation of these funds is now necessary. Funds will not be appropriated within individual department budgets, however, will require transfers to departments as needed.

To authorize the acceptance and appropriation of \$156,790,569.40 in funding from the U.S. Treasury as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act; to establish the CARES Act Fund; and to declare an emergency (\$156,790,569.40).

WHEREAS, Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law

on March 27th, 2020; and

WHEREAS, the U.S. Treasury made payment of \$156,790,569.40 to the City of Columbus to cover expenses incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to accept and appropriate funds from the U.S. Treasury at the earliest possible time, thereby preserving the public health, peace, property, safety, and welfare; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the City Auditor is hereby authorized and directed to establish Fund 2207 as the CARES Act Fund.

SECTION 2. That the City Auditor is hereby authorized to create four subfunds within the CARES Act Fund as follows, as well as any additional future subfunds as may be needed:

220701 City COVID-19 response

220702 Human services

220703 Recovery and resiliency

220704 Earned Interest

SECTION 3. That \$156,790,569.40 in funds are hereby accepted by the City of Columbus from the U.S. Treasury as a result of the CARES Act, and an appropriation of the same is authorized according to the account codes in the attachment of this ordinance.

SECTION 4. That any interest earnings in the fund may be transferred, appropriated, and expended for the purposes of this fund as allowed by the grantor. All investment earnings are hereby deemed appropriated for the purposes of complying with all federal requirements pertaining to investment earnings.

SECTION 5. That the City Auditor is hereby authorized to transfer cash and appropriation between and among subfunds, departments, divisions, and object classes within the CARES Act Fund as necessary to allow for the posting of prior and future expenses, not to exceed the cash available in the fund as a whole.

SECTION 6. That the City Auditor is hereby authorized to process expenditure corrections within this fund, and between this fund and other city funds to accurately post financial data related to the CARES Act Fund.

SECTION 7. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance, and the City Auditor shall establish such accounting codes as necessary.

SECTION 8. That the City Auditor is hereby authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 9. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.