

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	November 2, 2020
Action:	Approval of allocation
Presenter:	Chris Cullinan, Director of Finance
Staff Contacts:	Kaki Dimock, Director of Human Services Chris Cullinan, Director of Finance
Title:	Bridge Ministry Request for Allocation of \$54,750 of CARES Contingency Reserve

Background:

During its regularly scheduled meeting on October 5, 2020, City Council established a CARES Contingency Reserve of \$625,000. On October 19, 2020, City Council allocated a significant amount of this reserve to specific COVID-related expenses, in accordance with staff recommendations relating to requests received from various entities. A request for support from The Bridge Ministry was discussed that evening without resolution.

The Bridge Ministry submitted a programmatic update in which the Ministry identified a need for approximately \$328,500 for support of 9 individuals released from the Albemarle Charlottesville Regional Jail. At City Council's meeting on October 5, 2020, questions were raised as to whether Bridge Ministry's request meets the CARES Funding requirements, and about how many of the individuals who received the services were from the City of Charlottesville.

Staff also noted to Council that the Bridge Ministry has received public funding from the City in the past, but the Bridge Ministry does not regularly audit its financial statements. In 2017 the City requested an audit of the Ministry's financial statements (and agreed to pay for the audit), and the requested audit was received in May 2020. The purpose of the request is to assure that the City's public funding is actually supporting services that benefit Charlottesville residents, with minimal amounts of funding are going to administrative costs. (It should be noted: it is not unusual for smaller charitable nonprofits to be without audited financial statements. Federal law only requires certain charitable nonprofits who receive more than \$750,000 federal funding in a given year to comply with special audit requirements; however, unless state law mandates an

audit, or unless a locality requires the audit as a condition of grant funding, many charitable nonprofits and religious organizations would not necessarily obtain an audit in the normal course of their operations). The City of Charlottesville does require that agencies with operating budgets in excess of \$500,000 obtain an independent auditor annually to qualify for funding through the Vibrant Community Fund.

Discussion:

At the city manager’s request, staff sought and received additional information from The Bridge Ministry and analyzed their request for funding as to eligibility for CARES Act Funding. Staff have reviewed the request and finds that the activities are sufficiently COVID-related to be eligible for funding. The Bridge Ministry reports that 8 of the 9 individuals served by the program are from Charlottesville.

Alignment with Council Vision Areas and Strategic Plan:

This action aligns with the Council’s Vision as a Great Place to Live for All of Our Citizens. It also aligns with the City Council’s Strategic Plan Goals.

Budgetary Impact:

There is no direct impact on the City’s budget. A second round of CARES funds in the amount of \$4,123,776 has been received from the Commonwealth, of which City Council appropriated \$625,000 for a Contingency Reserve (approximately 15%). Sufficient funds remain in the Contingency Reserve.

All funds are subject to conditions established by the U.S. Treasury and the Commonwealth and must be expended for eligible expenditures incurred between March 1, 2020 and December 30, 2020. Any unused funds must be returned.

Recommendation:

Staff recommends approval to use remaining CARES Contingency Reserve Funds in the amount of \$54,750. This amount translates to 1/6th of the annualized amounts identified by The Bridge Ministry, given that these funds must be expended in full over the remaining two months of 2020 (i.e., on or before 12/30/2020).