

AGENDA



CITY OF HOPEWELL
Hopewell, Virginia 23860

AGENDA

(804) 541-2408

www.hopewellva.gov
info@hopewellva.gov
cityclerk@hopewellva.gov

CITY COUNCIL

Patience A. Bennett, Mayor, Ward #7
John B. Partin, Jr., Vice Mayor, Ward #3
Deborah B. Randolph, Councilor, Ward #1
Arlene Holloway, Councilor, Ward #2
Jasmine E. Gore, Councilor, Ward #4
Janice B. Denton, Councilor, Ward #5
Brenda S. Pelham, Councilor, Ward #6

John M. Altman, Jr., City Manager
Cynthia E. Hudson, Acting City Attorney
Mollie P. Bess, City Clerk

March 8, 2022

REGULAR MEETING

Closed Meeting - 6:00 p.m.
Regular Meeting - 7:30 p.m.

OPEN MEETING

6:00 p.m. Call to order, roll call, and welcome to visitors

SUGGESTED MOTION: Move into closed session pursuant to Va. Code Section §2.2-3711(A)(1) to discuss prospective appointees to various boards and commissions; and to discuss prospective candidates for employment (City Attorney) and appointment.

CLOSED MEETING

RECONVENE OPEN MEETING

Roll Call

CERTIFICATION

CERTIFICATION PURSUANT TO VIRGINIA CODE §2.2-3712 (D): Were only public business matters (1) lawfully exempted from open-meeting requirements and (2) identified in the closed-meeting motion discussed in closed meeting?

Roll Call

WORK SESSION

American Rescue Plan Act & Cares Act Update – Tevya Griffith & J. March Altman, Jr.

REGULAR MEETING

Call to order, roll call, and welcome to visitors

Prayer by Rev. Danny Tucker, followed by the Pledge of Allegiance to the Flag of the United States of America led by Councilor Randolph

SUGGESTED MOTION: To amend/adopt Regular Meeting agenda

Roll Call

CONSENT AGENDA

All matters listed under the Consent Agenda are considered routine by Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor.

C-1 Minutes:

C-2 Pending List:

C-3 Information for Council Review: BZA Meeting Minutes – 10/20/21; ARB Meeting Minutes – 12/16/21; DDRC Meeting Minutes – 3/5/22

C-4 Personnel Change Report:

C-5 Public Hearing Announcements: Conditional Use Permit 214 South 16th Avenue; Conditional Use Permit 1404 Roanoke Avenue; Conditional Use Permit Maryland Avenue; Conditional Use Permit Sub-Parcel #024-0305 – 3/22/22

C-6 Routine Approval of Work Sessions: Conditional Use Permit 1211 Arlington; Conditional Use Permit 3399 Trenton – 2/22/22

C-7 Ordinances on Second & Final Reading:

C-8 Routine Grant Approval:

C-9 Resolutions, Proclamations:

SUGGESTED MOTION: To amend/adopt consent agenda

Roll Call

INFORMATION/PRESENTATIONS

Financial Report – Michael Terry

PUBLIC HEARING

UNFINISHED BUSINESS

Resolution for Sheriff's Department Pay Raises

COMMUNICATIONS FROM CITIZENS

CITY CLERK: *A Communications from Citizens period, limited in total time to 30 minutes, is part of the Order of Business at each regular Council meeting. All persons addressing Council shall approach the microphone, give name and, if they reside in Hopewell, their ward number, and limit comments to **three minutes**. No one is permitted to speak on any item scheduled for consideration on the regular agenda of the meeting. All remarks shall be addressed to the Council as a body, any questions must be asked through the mayor only, and there shall be no discussion without permission of the mayor. Any person who makes personal, impertinent, abusive, or slanderous statements, or incites disorderly conduct in Council Chambers, may be barred by the mayor from further audience before Council and removed, subject to appeal to a majority of Council. (See Rules 405 and 406.)*

Reports of Boards and Commissions:

REGULAR BUSINESS

Reports of City Manager:

R-1 – Good to Great Violence Intervention Program – John M. Altman, Jr.

R-2 – HCA/Air Methods Resolution to Approve Emergency Medical Helicopter at JRMC – Ben Ruppert

R-3 – Appropriate Funds for Hopewell City Marina Request – Aaron Reidmiller

R-4 – Authorize Grant Application and to Appropriate Matching Funds – Aaron Reidmiller

Reports of City Attorney:

Reports of City Clerk:

Board/Commission Vacancies:

- Historic Preservation Society – 5 Vacancies**
- Board of Zoning Appeals – 1 Vacancy**
- Architectural Review Board – 3 Vacancies**
- Downtown Design Review – 1 Vacancy**
- Planning Commission – 1 Vacancy**
- Economic Development Authority – 1 vacancy**

Reports of City Council:

Committees

COUNCILORS REQUEST

CR-1 – Re-implement Municode Meeting Software/Council Rules & Procedures - GORE MOTION:

Roll Call

Presentations from Boards and Commissions

Other Council Communications

Adjournment

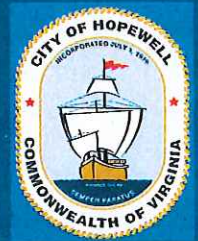
CLOSED
MEETING

WORK SESSION

American Rescue Plan Act

Presentation for City Council

March 8, 2022



Amount of Funding

- Hopewell is entitled to receive **\$9,998,813**
 - “metropolitan cities” allocation = \$5,622,819
 - under the “fewer than 50,000” = \$4,375,994
- Virginia’s Independent Cities were considered county-equivalents because of the public services that are delivered, like public education
- The funds will come to the City in two tranches, directly from the U.S. Treasury to the City of Hopewell
- The first payment of \$4,999,406.50 has been received.
- The balance will arrive in May 2022.

Use of Funds as determined by ARPA

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency;
4. To make necessary investments in water, sewer, or broadband infrastructure.

1st Category

To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality

Eligible uses for the Public Health Emergency

- Covid-19 mitigation and prevention (contact tracing, testing, ventilation improvement, capital investments in public facilities to meet pandemic operational needs)
- Medical expenses, including costs for medical services for individuals with “Long Covid”
- Meeting behavioral health care needs including addiction treatment, due to a national spike in overdose deaths
- Addressing disparities in public health outcomes, and economic outcomes in our communities
- Prevention and response to violence
- Generally as broad as the CARES Act

1st Category – con't

To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality

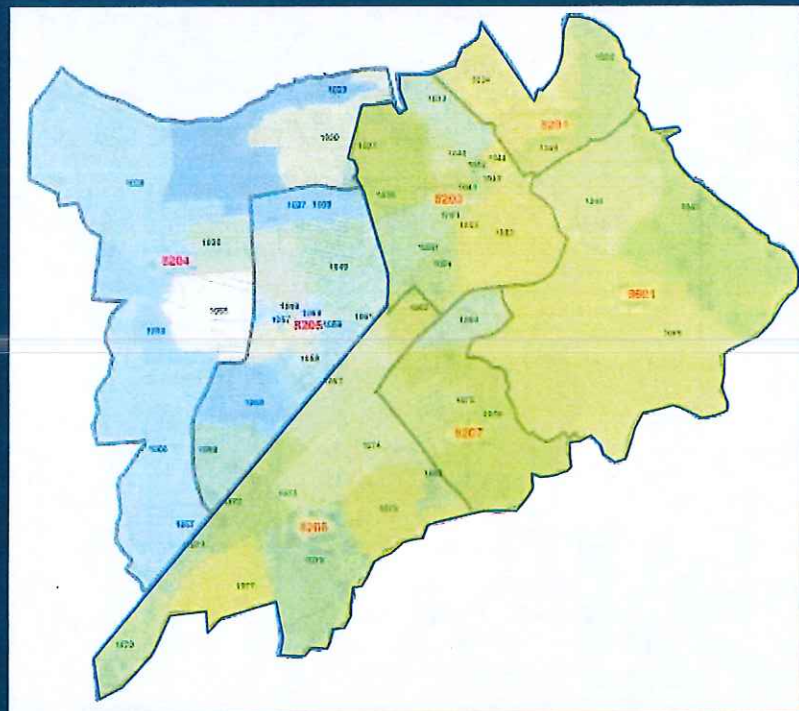
- Assistance to unemployed workers such as job training
- Deposits into the State unemployment insurance trust fund
- Loans or grants to small businesses and non-profits to mitigate financial hardship such as declines in revenues, or to support the cost of rent, mortgage, payroll and benefits
- Aid to impacted industries such as tourism, travel and hospitality
- Assistance to households such as: utility assistance, counseling and legal aid to prevent homelessness, food assistance, rent, mortgage, home repairs, emergency assistance for burials, weatherization, internet access

There is a 4-step analysis to determine the eligibility of assistance to households, unless the household is located in a Qualified Census Tract.

1st Category – con't

Qualified Census Tracts

- 8201
- 8203
- 8206
- 8207
- 9801



2nd Category

To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay or grants to eligible workers

Essential workers – “those workers needed to maintain continuity or operations of essential critical infrastructure”

Essential work – work requiring the physical presence at a jobsite

Amount

- up to \$13 per hour, above the salary
- Maximum ARPA premium payment cannot exceed \$25,000 per eligible worker
- compensation prioritized for lower income eligible workers who performed essential work

2nd Category – con't

To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay or grants to eligible workers

Categories of essential workers:

- Healthcare workers
- Public health and safety
- Childcare
- Education
- Sanitation
- Transportation
- Food production service

Payments in this category have enhanced reporting requirements.

3rd Category

Provision of Government Services to the Extent of any Revenue Reduction Resulting from the COVID-19 Public Health Emergency

What does “Revenue Reduction” Mean?

- Recipients’ reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to emergency.
- U.S. Treasury allows recipients to choose one of two options:
 - “Standard Allowance” of \$10 million
 - Calculate Actual Revenue Loss Using Formula
- U.S. Treasury provides a methodology for calculating revenue lost due to the COVID-19 public health emergency

3rd Category – con't

Provision of Government Services to
the Extent of any Revenue Reduction
Resulting from the COVID-19 Public
Health Emergency

Revenue replacement

For the purposes of the revenue replacement category, we are
looking only at General Revenue

Excludes: refunds, proceeds from issuance of debt or sale of
investments, utility income

The US Treasury's formula places a predetermined 4.1%
annual growth rate into their formula

3rd Category – con't

Provision of Government Services to
the Extent of any Revenue Reduction
Resulting from the COVID-19 Public
Health Emergency

General calculation steps:

1. Identify the revenue collected in the most recent full fiscal year prior to the pandemic. This is the base year.
2. Estimate the growth rate the city would have experienced using either 4.1% or the average annual revenue growth in the three full fiscal years prior to the public health emergency, whichever is higher.
3. Identify actual revenue collected over the past 12 months.
4. Lost revenue is equal to the expected growth rate less actuals.

City of Hopewell Revenue Reduction = \$3,255,162

3rd Category – con't

Replenished expenses must directly
relate to the provision of government
services

Government Services include:

- Construction of schools and hospitals;
- Road building and maintenance, and other infrastructure;
- General government administration, staff and administrative facilities;
- Modernization of cybersecurity;
- Health Services;
- Environmental Remediation;
- School or Educational Services; and
- Provision of Police, Fire and Other Public Safety Services

3rd Category –
con't

Government Services Do Not Include:

- Replenishing Financial Reserves;
- Interest or Principal on Any Outstanding Debt Instrument;
- Expenses Associated with Financial Indebtedness for Borrowed Money;
- Satisfaction of a Settlement or Judgement;
- Judicially Confirmed Debt Restricting in a Judicial, Administrative, or Regulatory Proceeding.

4th Category

Make Necessary Investments in
Water, Sewer, and /or Broadband
Infrastructure

Water infrastructure projects – must be aligned with types or categories of projects eligible for financial assistance through the EPA's Clean Water State Revolving Fund, or the Drinking Water State Revolving Fund

Sewer projects – may include construction of publically owned treatment infrastructure, including infrastructure which manages and treats stormwater or subsurface drainage water, facilitate water reuse

4th Category

Make Necessary Investments in
Water, Sewer, and /or Broadband
Infrastructure

U.S. Treasury encourages using Recovery Funds for projects that:

- Improve drinking water infrastructure
- Consolidate or establish drinking water systems
- Support cybersecurity needs to protect water or sewer infrastructure
- Support efforts to address climate changes
- Provide relief in cases of a natural disaster

4th Category

Make Necessary Investments in
Water, Sewer, and /or Broadband
Infrastructure

Broadband – projects must “be designed to provide service...to unserved and underserved households and businesses.”

- *Unserved and underserved households or businesses* means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.
- Eligible broadband projects must reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds;
- If the required speeds cannot be achieved, then the project would be expected to meet or exceed 100 Mbps download with a minimum of 20 Mbps upload speed and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds

Deadline for Use of ARPA Funds

- Payments from ARPA Funds be used only to cover costs incurred by the local government by December 31,2024
- “Incurred” means that the payments must be obligated by December 31, 2024.
- U.S. Treasury defines “obligation” as “an order placed for property and services and entering into contracts, sub-awards, and similar transactions that require payment.”

Ineligible Use of ARPA Funds

ARPA funds cannot be used for:

- Contributions to rain-day funds, financial reserves, or similar funds
- Tax cuts
- Any payment of interest or principal on outstanding debt instruments
- Fees or issuance costs for new debt
- A settlement, judgment, consent decree or judicially confirmed debt

ARPA Reporting Requirements

- One interim report
 - To include recipient's expenditures by category from the date of the award to July 31, 2021
 - Report must be submitted by August 31, 2021
- Quarterly reports through the end of the award period which is December 31, 2026
 - To include financial data, information on contracts and sub-awards over \$50,000, types of projects funded
 - The first quarterly report is for the time period from award of funds to September 30, 2021, and must be submitted by October 31, 2021

Public Health
Emergency

Project	Cost
COVID-19 Mitigation/Prevention	\$30,000
3 ½ Street Park Improvements	\$210,000
Westwood Park Improvements	\$200,000
Atwater Park Improvements	\$425,000
Department of Development Renovations	\$250,000
Business Recovery Grants	\$500,000
Façade Improvement Grants	\$40,000
Total	\$865,000

City of Hopewell Revenue Reduction = \$3,255,162

Project	Cost
FY22 Budget	\$375,823
Police Vehicles (Replace 7 vehicles)	\$338,500
Code Enforcement Vehicles (Replace 2 vehicles)	\$62,000
Courthouse Phone System	\$250,000
Courthouse – Circuit Court AV	\$40,000
City Marina Improvements	
Total	\$1,566,323

Revenue
Reduction

Infrastructure

Project	Cost
Broadband – Downtown Initiative	\$450,000
Broadband – Citywide WiFi Expansion	\$1,000,000
Total	\$1,450,000

Total Proposed Expenditures

Category	Proposed Cost
Public Health Emergency	\$1,655,000
Revenue Reduction	\$1,566,323
Infrastructure	\$1,450,000
Total	\$4,671,323
1 st Allocation	\$4,999,406.50
Remaining	\$328,083.50

The image features a large, solid blue rectangular area. A vertical line of a slightly darker shade of blue divides the rectangle into two sections: a larger one on the left and a smaller one on the right. The word "Questions" is written in a white, serif font on the left side, positioned in the lower half of the blue area. The overall design is minimalist and modern.

Questions



Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule

U.S. DEPARTMENT OF THE TREASURY

January 2022



The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions.

The descriptions provided in this document summarize key provisions of the final rule but are non-exhaustive, do not describe all terms and conditions associated with the use of SLFRF, and do not describe all requirements that may apply to this funding. Any SLFRF funds received are also subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which incorporate the provisions of the final rule and the guidance that implements this program.



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Introduction

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

EARLY PROGRAM IMPLEMENTATION

In May 2021, Treasury published the Interim final rule (IFR) describing eligible and ineligible uses of funds (as well as other program provisions), sought feedback from the public on these program rules, and began to distribute funds. The IFR went immediately into effect in May, and since then, governments have used SLFRF funds to meet their immediate pandemic response needs and begin building a strong and equitable recovery, such as through providing vaccine incentives, development of affordable housing, and construction of infrastructure to deliver safe and reliable water.

As governments began to deploy this funding in their communities, Treasury carefully considered the feedback provided through its public comment process and other forums. Treasury received over 1,500 comments, participated in hundreds of meetings, and received correspondence from a wide range of governments and other stakeholders.

KEY CHANGES AND CLARIFICATIONS IN THE FINAL RULE

The final rule delivers broader flexibility and greater simplicity in the program, responsive to feedback in the comment process. Among other clarifications and changes, the final rule provides the features below.

Replacing Lost Public Sector Revenue

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.

Public Health and Economic Impacts

In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with final rule requirements.



In addition, the final rule provides an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by the pandemic, thereby allowing recipients to provide responses to a broad set of households and entities without requiring additional analysis. Further, the final rule provides a broader set of uses available for these communities as part of COVID-19 public health and economic response, including making affordable housing, childcare, early learning, and services to address learning loss during the pandemic eligible in all impacted communities and making certain community development and neighborhood revitalization activities eligible for disproportionately impacted communities.

Further, the final rule allows for a broader set of uses to restore and support government employment, including hiring above a recipient’s pre-pandemic baseline, providing funds to employees that experienced pay cuts or furloughs, avoiding layoffs, and providing retention incentives.

Premium Pay

The final rule delivers more streamlined options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification while maintaining a focus on lower-income and frontline workers performing essential work.

Water, Sewer & Broadband Infrastructure

The final rule significantly broadens eligible broadband infrastructure investments to address challenges with broadband access, affordability, and reliability, and adds additional eligible water and sewer infrastructure investments, including a broader range of lead remediation and stormwater management projects.

FINAL RULE EFFECTIVE DATE

The final rule takes effect on April 1, 2022. Until that time, the interim final rule remains in effect; funds used consistently with the IFR while it is in effect are in compliance with the SLFRF program.

However, recipients can choose to take advantage of the final rule’s flexibilities and simplifications now, even ahead of the effective date. Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used. Recipients may consult the *Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule*, which can be found on Treasury’s website, for more information on compliance with the interim final rule and the final rule.



Overview of the Program

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides substantial flexibility for each jurisdiction to meet local needs within the four separate eligible use categories. This Overview of the Final Rule addresses the four eligible use categories ordered from the broadest and most flexible to the most specific.

Recipients may use SLFRF funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic.
 - Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
 - Calculating their jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.
 - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.
- **Support the COVID-19 public health and economic response** by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
 - Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
 - To provide simple and clear eligible uses of funds, Treasury provides a list of enumerated uses that recipients can provide to households, populations, or classes (i.e., groups) that experienced pandemic impacts.
 - Public health eligible uses include COVID-19 mitigation and prevention, medical expenses, behavioral healthcare, and preventing and responding to violence.
 - Eligible uses to respond to negative economic impacts are organized by the type of beneficiary: assistance to households, small businesses, and nonprofits.
 - Each category includes assistance for "impacted" and "disproportionately impacted" classes: impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.
 - To simplify administration, the final rule presumes that some populations and groups were impacted or disproportionately impacted and are eligible for responsive services.

Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule



- Eligible uses for assistance to impacted households include aid for re-employment, job training, food, rent, mortgages, utilities, affordable housing development, childcare, early education, addressing learning loss, and many more uses.
- Eligible uses for assistance to impacted small businesses or nonprofits include loans or grants to mitigate financial hardship, technical assistance for small businesses, and many more uses.
- Recipients can also provide assistance to impacted industries like travel, tourism, and hospitality that faced substantial pandemic impacts, or address impacts to the public sector, for example by re-hiring public sector workers cut during the crisis.
- Recipients providing funds for enumerated uses to populations and groups that Treasury has presumed eligible are clearly operating consistently with the final rule. Recipients can also identify (1) other populations or groups, beyond those presumed eligible, that experienced pandemic impacts or disproportionate impacts and (2) other programs, services, or capital expenditures, beyond those enumerated, to respond to those impacts.
- **Provide premium pay for eligible workers performing essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
 - Recipients may provide premium pay to eligible workers – generally those working in-person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
 - Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA’s Clean Water State Revolving Fund, EPA’s Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
 - Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable; completed projects must participate in a low-income subsidy program.

While recipients have considerable flexibility to use funds to address the diverse needs of their communities, some restrictions on use apply across all eligible use categories. These include:

- **For states and territories:** No offsets of a reduction in net tax revenue resulting from a change in state or territory law.

[Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule](#)



- **For all recipients except for Tribal governments:** No extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability.
- **For all recipients:** No payments for debt service and replenishments of rainy day funds; no satisfaction of settlements and judgments; no uses that contravene or violate the American Rescue Plan Act, Uniform Guidance conflicts of interest requirements, and other federal, state, and local laws and regulations.

Under the SLFRF program, funds must be used for costs incurred on or after March 3, 2021. Further, funds must be obligated by December 31, 2024, and expended by December 31, 2026. This time period, during which recipients can expend SLFRF funds, is the “period of performance.”

In addition to SLFRF, the American Rescue Plan includes other sources of funding for state and local governments, including the [Coronavirus Capital Projects Fund](#) to fund critical capital investments including broadband infrastructure; the [Homeowner Assistance Fund](#) to provide relief for our country’s most vulnerable homeowners; the [Emergency Rental Assistance Program](#) to assist households that are unable to pay rent or utilities; and the [State Small Business Credit Initiative](#) to fund small business credit expansion initiatives. Eligible recipients are encouraged to visit the Treasury website for more information.



Replacing Lost Public Sector Revenue

The Coronavirus State and Local Fiscal Recovery Funds provide needed fiscal relief for recipients that have experienced revenue loss due to the onset of the COVID-19 public health emergency. Specifically, SLFRF funding may be used to pay for “government services” in an amount equal to the revenue loss experienced by the recipient due to the COVID-19 public health emergency.

Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements.

In order to use funds under government services, recipients should first determine revenue loss. They may, then, spend up to that amount on general government services.

DETERMINING REVENUE LOSS

Recipients have two options for how to determine their amount of revenue loss. Recipients must choose one of the two options and cannot switch between these approaches after an election is made.

- 1. Recipients may elect a “standard allowance” of \$10 million to spend on government services through the period of performance.**

Under this option, which is newly offered in the final rule Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.” The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss, particularly for SLFRF’s smallest recipients.

All recipients may elect to use this standard allowance instead of calculating lost revenue using the formula below, including those with total allocations of \$10 million or less. Electing the standard allowance does not increase or decrease a recipient’s total allocation.

- 2. Recipients may calculate their actual revenue loss according to the formula articulated in the final rule.**

Under this option, recipients calculate revenue loss at four distinct points in time, either at the end of each calendar year (e.g., December 31 for years 2020, 2021, 2022, and 2023) or the end of each fiscal year of the recipient. Under the flexibility provided in the final rule, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. Treasury has also provided several adjustments to the definition of general revenue in the final rule.

To calculate revenue loss at each of these dates, recipients must follow a four-step process:

[Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule](#)



- a. Calculate revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the *base year revenue*.
- b. Estimate *counterfactual revenue*, which is equal to the following formula, where n is the number of months elapsed since the end of the base year to the calculation date:

$$\text{base year revenue} \times (1 + \text{growth adjustment})^{\frac{n}{12}}$$

The *growth adjustment* is the greater of either a standard growth rate—5.2 percent—or the recipient’s average annual revenue growth in the last full three fiscal years prior to the COVID-19 public health emergency.

- c. Identify *actual revenue*, which equals revenues collected over the twelve months immediately preceding the calculation date.

Under the final rule, recipients must adjust actual revenue totals for the effect of tax cuts and tax increases that are adopted after the date of adoption of the final rule (January 6, 2022). Specifically, the estimated fiscal impact of tax cuts and tax increases adopted after January 6, 2022, must be added or subtracted to the calculation of actual revenue for purposes of calculation dates that occur on or after April 1, 2022.

Recipients may subtract from their calculation of actual revenue the effect of tax increases enacted prior to the adoption of the final rule. Note that recipients that elect to remove the effect of tax increases enacted before the adoption of the final rule must also remove the effect of tax decreases enacted before the adoption of the final rule, such that they are accurately removing the effect of tax policy changes on revenue.

- d. Revenue loss for the calculation date is equal to *counterfactual revenue* minus *actual revenue* (adjusted for tax changes) for the twelve-month period. If actual revenue exceeds counterfactual revenue, the loss is set to zero for that twelve-month period. Revenue loss for the period of performance is the sum of the revenue loss on for each calculation date.

The supplementary information in the final rule provides an example of this calculation, which recipients may find helpful, in the Revenue Loss section.



SPENDING ON GOVERNMENT SERVICES

Recipients can use SLFRF funds on government services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated using the above approach. **Government services generally include *any service traditionally provided by a government***, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive:

- ✓ Construction of schools and hospitals
- ✓ Road building and maintenance, and other infrastructure
- ✓ Health services
- ✓ General government administration, staff, and administrative facilities
- ✓ Environmental remediation
- ✓ Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section and apply to all uses of funds, apply to government services as well.



Responding to Public Health and Economic Impacts of COVID-19

The Coronavirus State and Local Fiscal Recovery Funds provide resources for governments to meet the public health and economic needs of those impacted by the pandemic in their communities, as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts.

The eligible use category to respond to public health and negative economic impacts is organized around the types of assistance a recipient may provide and includes several sub-categories:

- public health,
- assistance to households,
- assistance to small businesses,
- assistance to nonprofits,
- aid to impacted industries, and
- public sector capacity.

In general, to identify eligible uses of funds in this category, recipients should (1) identify a COVID-19 public health or economic impact on an individual or class (i.e., a group) and (2) design a program that responds to that impact. Responses should be related and reasonably proportional to the harm identified and reasonably designed to benefit those impacted.

To provide simple, clear eligible uses of funds that meet this standard, Treasury provides a non-exhaustive list of enumerated uses that respond to pandemic impacts. Treasury also presumes that some populations experienced pandemic impacts and are eligible for responsive services. In other words, recipients providing enumerated uses of funds to populations presumed eligible are clearly operating consistently with the final rule.¹

Recipients also have broad flexibility to (1) identify and respond to other pandemic impacts and (2) serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients can also identify groups or “classes” of beneficiaries that experienced pandemic impacts and provide services to those classes.

¹ However, please note that use of funds for enumerated uses may not be grossly disproportionate to the harm. Further, recipients should consult the Capital Expenditures section for more information about pursuing a capital expenditure; please note that enumerated capital expenditures are not presumed to be reasonably proportional responses to an identified harm except as provided in the Capital Expenditures section.



Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> • Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group) • Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class 	<ul style="list-style-type: none"> • Types of responses can include a program, service, or capital expenditure • Response should be related and reasonably proportional to the harm • Response should also be reasonably designed to benefit impacted individual or class
Simplifying Presumptions	<ul style="list-style-type: none"> • Final Rule presumes certain populations and classes are impacted and disproportionately impacted 	<ul style="list-style-type: none"> • Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts

To assess eligibility of uses of funds, recipients should first determine the sub-category where their use of funds may fit (e.g., public health, assistance to households, assistance to small businesses), based on the entity that experienced the health or economic impact.² Then, recipients should refer to the relevant section for more details on each sub-category.

While the same overall eligibility standard applies to all uses of funds to respond to the public health and negative economic impacts of the pandemic, each sub-category has specific nuances on its application. In addition:

- Recipients interested in using funds for capital expenditures (i.e., investments in property, facilities, or equipment) should review the Capital Expenditures section in addition to the eligible use sub-category.
- Recipients interested in other uses of funds, beyond the enumerated uses, should refer to the section on “Framework for Eligible Uses Beyond Those Enumerated.”

² For example, a recipient interested in providing aid to unemployed individuals is addressing a negative economic impact experienced by a household and should refer to the section on assistance to households. Recipients should also be aware of the difference between “beneficiaries” and “sub-recipients.” Beneficiaries are households, small businesses, or nonprofits that can receive assistance based on impacts of the pandemic that they experienced. On the other hand, sub-recipients are organizations that carry out eligible uses on behalf of a government, often through grants or contracts. Sub-recipients do not need to have experienced a negative economic impact of the pandemic; rather, they are providing services to beneficiaries that experienced an impact.



RESPONDING TO THE PUBLIC HEALTH EMERGENCY

While the country has made tremendous progress in the fight against COVID-19, including a historic vaccination campaign, the disease still poses a grave threat to Americans' health and the economy. Providing state, local, and Tribal governments the resources needed to fight the COVID-19 pandemic is a core goal of the Coronavirus State and Local Fiscal Recovery Funds, as well as addressing the other ways that the pandemic has impacted public health. Treasury has identified several public health impacts of the pandemic and enumerated uses of funds to respond to impacted populations.

- **COVID-19 mitigation and prevention.** The pandemic has broadly impacted Americans and recipients can provide services to prevent and mitigate COVID-19 to the general public or to small businesses, nonprofits, and impacted industries in general. Enumerated eligible uses include:
 - ✓ Vaccination programs, including vaccine incentives and vaccine sites
 - ✓ Testing programs, equipment and sites
 - ✓ Monitoring, contact tracing & public health surveillance (e.g., monitoring for variants)
 - ✓ Public communication efforts
 - ✓ Public health data systems
 - ✓ COVID-19 prevention and treatment equipment, such as ventilators and ambulances
 - ✓ Medical and PPE/protective supplies
 - ✓ Support for isolation or quarantine
 - ✓ Ventilation system installation and improvement
 - ✓ Technical assistance on mitigation of COVID-19 threats to public health and safety
 - ✓ Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools
 - ✓ Support for prevention and mitigation strategies in small businesses, nonprofits, and impacted industries
 - ✓ Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., ICUs, emergency rooms)
 - ✓ Temporary medical facilities and other measures to increase COVID-19 treatment capacity
 - ✓ Emergency operations centers & emergency response equipment (e.g., emergency response radio systems)
 - ✓ Public telemedicine capabilities for COVID-19 related treatment



- **Medical expenses.** Funds may be used for expenses to households, medical providers, or others that incurred medical costs due to the pandemic, including:

- ✓ Unreimbursed expenses for medical care for COVID-19 testing or treatment, such as uncompensated care costs for medical providers or out-of-pocket costs for individuals
- ✓ Paid family and medical leave for public employees to enable compliance with COVID-19 public health precautions
- ✓ Emergency medical response expenses
- ✓ Treatment of long-term symptoms or effects of COVID-19

- **Behavioral health care, such as mental health treatment, substance use treatment, and other behavioral health services.** Treasury recognizes that the pandemic has broadly impacted Americans' behavioral health and recipients can provide these services to the general public to respond.

Enumerated eligible uses include:

- ✓ Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support
- ✓ Enhanced behavioral health services in schools
- ✓ Services for pregnant women or infants born with neonatal abstinence syndrome
- ✓ Support for equitable access to reduce disparities in access to high-quality treatment
- ✓ Peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services
- ✓ Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery
- ✓ Behavioral health facilities & equipment

- **Preventing and responding to violence.** Recognizing that violence – and especially gun violence – has increased in some communities due to the pandemic, recipients may use funds to respond in these communities through:

- ✓ Referrals to trauma recovery services for victims of crime
- ✓ Community violence intervention programs, including:
 - Evidence-based practices like focused deterrence, with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance
- ✓ In communities experiencing increased gun violence due to the pandemic:
 - Law enforcement officers focused on advancing community policing
 - Enforcement efforts to reduce gun violence, including prosecution
 - Technology & equipment to support law enforcement response

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RESPONDING TO NEGATIVE ECONOMIC IMPACTS

The pandemic caused severe economic damage and, while the economy is on track to a strong recovery, much work remains to continue building a robust, resilient, and equitable economy in the wake of the crisis and to ensure that the benefits of this recovery reach all Americans. While the pandemic impacted millions of American households and businesses, some of its most severe impacts fell on low-income and underserved communities, where pre-existing disparities amplified the impact of the pandemic and where the most work remains to reach a full recovery.

The final rule recognizes that the pandemic caused broad-based impacts that affected many communities, households, and small businesses across the country; for example, many workers faced unemployment and many small businesses saw declines in revenue. The final rule describes these as “impacted” households, communities, small businesses, and nonprofits.

At the same time, the pandemic caused disproportionate impacts, or more severe impacts, in certain communities. For example, low-income and underserved communities have faced more severe health and economic outcomes like higher rates of COVID-19 mortality and unemployment, often because pre-existing disparities exacerbated the impact of the pandemic. The final rule describes these as “disproportionately impacted” households, communities, small businesses, and nonprofits.

To simplify administration of the program, the final rule presumes that certain populations were “impacted” and “disproportionately impacted” by the pandemic; these populations are presumed to be eligible for services that respond to the impact they experienced. The final rule also enumerates a non-exhaustive list of eligible uses that are recognized as responsive to the impacts or disproportionate impacts of COVID-19. Recipients providing enumerated uses to populations presumed eligible are clearly operating consistently with the final rule.

As discussed further in the section Framework for Eligible Uses Beyond Those Enumerated, recipients can also identify other pandemic impacts, impacted or disproportionately impacted populations or classes, and responses.



Assistance to Households

Impacted Households and Communities

Treasury presumes the following households and communities are impacted by the pandemic:

- ✓ Low- or-moderate income households or communities
- ✓ Households that experienced unemployment
- ✓ Households that experienced increased food or housing insecurity
- ✓ Households that qualify for the Children’s Health Insurance Program, Childcare Subsidies through the Child Care Development Fund (CCDF) Program, or Medicaid
- ✓ *When providing affordable housing programs:* households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program
- ✓ *When providing services to address lost instructional time in K-12 schools:* any student that lost access to in-person instruction for a significant period of time

Low- or moderate-income households and communities are those with (i) income at or below 300 percent of the Federal Poverty Guidelines for the size of the household based on the most recently published poverty guidelines or (ii) income at or below 65 percent of the area median income for the county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines are higher than the area’s median income and using the Federal Poverty Guidelines would result in more households and communities being presumed eligible. Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the response they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$65,880 per year.³ In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is impacted by the pandemic and eligible for services to respond. Additionally, by following the steps detailed in the section Framework for Eligible Uses Beyond Those Enumerated, recipients may designate additional households as impacted or disproportionately impacted beyond these presumptions, and may also pursue projects not listed below in response to these impacts consistent with Treasury’s standards.

³ For recipients in Alaska, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$82,350 per year. For recipients in Hawaii, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$75,780 per year.



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to impacts of the pandemic on households and communities:

- ✓ Food assistance & food banks
- ✓ Emergency housing assistance: rental assistance, mortgage assistance, utility assistance, assistance paying delinquent property taxes, counseling and legal aid to prevent eviction and homelessness & emergency programs or services for homeless individuals, including temporary residences for people experiencing homelessness
- ✓ Health insurance coverage expansion
- ✓ Benefits for surviving family members of individuals who have died from COVID-19
- ✓ Assistance to individuals who want and are available for work, including job training, public jobs programs and fairs, support for childcare and transportation to and from a jobsite or interview, incentives for newly-employed workers, subsidized employment, grants to hire underserved workers, assistance to unemployed individuals to start small businesses & development of job and workforce training centers
- ✓ Financial services for the unbanked and underbanked
- ✓ Burials, home repair & home weatherization
- ✓ Programs, devices & equipment for internet access and digital literacy, including subsidies for costs of access
- ✓ Cash assistance
- ✓ Paid sick, medical, and family leave programs
- ✓ Assistance in accessing and applying for public benefits or services
- ✓ Childcare and early learning services, home visiting programs, services for child welfare-involved families and foster youth & childcare facilities
- ✓ Assistance to address the impact of learning loss for K-12 students (e.g., high-quality tutoring, differentiated instruction)
- ✓ Programs or services to support long-term housing security: including development of affordable housing and permanent supportive housing
- ✓ Certain contributions to an Unemployment Insurance Trust Fund⁴

⁴ Recipients may only use SLFRF funds for contributions to unemployment insurance trust funds and repayment of the principal amount due on advances received under Title XII of the Social Security Act up to an amount equal to (i) the difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus (ii) the principal amount outstanding as of May 17, 2021 on any advances received under Title XII of the Social Security Act between January 27, 2020 and May 17, 2021. Further, recipients may use SLFRF funds for the payment of any interest due on such Title XII advances. Additionally, a recipient that deposits SLFRF funds into its unemployment insurance trust fund to fully restore the pre-pandemic balance may not draw down that balance and deposit more SLFRF funds, back up to the pre-pandemic balance. Recipients that deposit SLFRF funds into an unemployment insurance trust fund, or use SLFRF funds to repay principal on Title XII advances, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

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Disproportionately Impacted Households and Communities

Treasury presumes the following households and communities are disproportionately impacted by the pandemic:

- ✓ Low -income households and communities
- ✓ Households residing in Qualified Census Tracts
- ✓ Households that qualify for certain federal benefits⁵
- ✓ Households receiving services provided by Tribal governments
- ✓ Households residing in the U.S. territories or receiving services from these governments

Low-income households and communities are those with (i) income at or below 185 percent of the Federal Poverty Guidelines for the size of its household based on the most recently published poverty guidelines or (ii) income at or below 40 percent of area median income for its county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines level is higher than the area median income level and using this level would result in more households and communities being presumed eligible. Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the service they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$40,626 per year.⁶ In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is disproportionately impacted by the pandemic and eligible for services to respond.

⁵ These programs are Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants. For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible.

⁶ For recipients in Alaska, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$50,783 per year. For recipients in Hawaii, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$46,731 per year



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to disproportionate impacts of the pandemic on households and communities:

- ✓ Pay for community health workers to help households access health & social services
- ✓ Remediation of lead paint or other lead hazards
- ✓ Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment & facilities designed to address health disparities
- ✓ Housing vouchers & assistance relocating to neighborhoods with higher economic opportunity
- ✓ Investments in neighborhoods to promote improved health outcomes
- ✓ Improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing⁷
- ✓ Services to address educational disparities, including assistance to high-poverty school districts & educational and evidence-based services to address student academic, social, emotional, and mental health needs
- ✓ Schools and other educational equipment & facilities

⁷ Please see the final rule for further details and conditions applicable to this eligible use. This includes Treasury's presumption that demolition of vacant or abandoned residential properties that results in a net reduction in occupiable housing units for low- and moderate-income individuals in an area where the availability of such housing is lower than the need for such housing is ineligible for support with SLFRF funds.



Assistance to Small Businesses

Small businesses have faced widespread challenges due to the pandemic, including periods of shutdown, declines in revenue, or increased costs. The final rule provides many tools for recipients to respond to the impacts of the pandemic on small businesses, or disproportionate impacts on businesses where pre-existing disparities like lack of access to capital compounded the pandemic's effects.

Small businesses eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of "small business," specifically:

1. Have no more than 500 employees, or if applicable, the size standard in number of employees [established](#) by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates, and
2. Are a small business concern as defined in section 3 of the Small Business Act⁸ (which includes, among other requirements, that the business is independently owned and operated and is not dominant in its field of operation).

Impacted Small Businesses

Recipients can identify small businesses impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- ✓ Decreased revenue or gross receipts
- ✓ Financial insecurity
- ✓ Increased costs
- ✓ Capacity to weather financial hardship
- ✓ Challenges covering payroll, rent or mortgage, and other operating costs

Assistance to small businesses that experienced negative economic impacts includes the following enumerated uses:

- ✓ Loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs
- ✓ Technical assistance, counseling, or other services to support business planning

Disproportionately Impacted Small Businesses

Treasury presumes that the following small businesses are disproportionately impacted by the pandemic:

⁸ 15 U.S.C. 632.



- ✓ Small businesses operating in Qualified Census Tracts
- ✓ Small businesses operated by Tribal governments or on Tribal lands
- ✓ Small businesses operating in the U.S. territories

Assistance to disproportionately impacted small businesses includes the following enumerated uses, which have been expanded under the final rule:

- ✓ Rehabilitation of commercial properties, storefront improvements & façade improvements
- ✓ Technical assistance, business incubators & grants for start-up or expansion costs for small businesses
- ✓ Support for microbusinesses, including financial, childcare, and transportation costs



Assistance to Nonprofits

Nonprofits have faced significant challenges due to the pandemic’s increased demand for services and changing operational needs, as well as declines in revenue sources such as donations and fees.

Nonprofits eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of “nonprofit”—specifically those that are 501(c)(3) or 501(c)(19) tax-exempt organizations.

Impacted Nonprofits

Recipients can identify nonprofits impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- ✓ Decreased revenue (e.g., from donations and fees)
- ✓ Financial insecurity
- ✓ Increased costs (e.g., uncompensated increases in service need)
- ✓ Capacity to weather financial hardship
- ✓ Challenges covering payroll, rent or mortgage, and other operating costs

Assistance to nonprofits that experienced negative economic impacts includes the following enumerated uses:

- ✓ Loans or grants to mitigate financial hardship
- ✓ Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic

Disproportionately Impacted Nonprofits

Treasury presumes that the following nonprofits are disproportionately impacted by the pandemic:

- ✓ Nonprofits operating in Qualified Census Tracts
- ✓ Nonprofits operated by Tribal governments or on Tribal lands
- ✓ Nonprofits operating in the U.S. territories

Recipients may identify appropriate responses that are related and reasonably proportional to addressing these disproportionate impacts.



Aid to Impacted Industries

Recipients may use SLFRF funding to provide aid to industries impacted by the COVID-19 pandemic. Recipients should first designate an impacted industry and then provide aid to address the impacted industry's negative economic impact.

This sub-category of eligible uses does not separately identify disproportionate impacts and corresponding responsive services.

1. **Designating an impacted industry.** There are two main ways an industry can be designated as "impacted."
 1. If the industry is in the travel, tourism, or hospitality sectors (including Tribal development districts), the industry is impacted.
 2. If the industry is outside the travel, tourism, or hospitality sectors, the industry is impacted if:
 - a. The industry experienced at least 8 percent employment loss from pre-pandemic levels,⁹ or
 - b. The industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, based on the totality of economic indicators or qualitative data (if quantitative data is unavailable), and if the impacts were generally due to the COVID-19 public health emergency.

Recipients have flexibility to define industries broadly or narrowly, but Treasury encourages recipients to define narrow and discrete industries eligible for aid. State and territory recipients also have flexibility to define the industries with greater geographic precision; for example, a state may identify a particular industry in a certain region of a state as impacted.

2. **Providing eligible aid to the impacted industry.** Aid may only be provided to support businesses, attractions, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. Further, aid should be generally broadly available to all businesses within the impacted industry to avoid potential conflicts of interest, and Treasury encourages aid to be first used for operational expenses, such as payroll, before being used on other types of costs.

⁹ Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021). For parity and simplicity, smaller recipients without employment data that measure industries in their specific jurisdiction may use data available for a broader unit of government for this calculation (e.g., a county may use data from the state in which it is located; a city may use data for the county, if available, or state in which it is located) solely for purposes of determining whether a particular industry is an impacted industry.

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Treasury recognizes the enumerated projects below as eligible responses to impacted industries.

- ✓ Aid to mitigate financial hardship, such as supporting payroll costs, lost pay and benefits for returning employees, support of operations and maintenance of existing equipment and facilities
- ✓ Technical assistance, counseling, or other services to support business planning
- ✓ COVID-19 mitigation and infection prevention measures (see section Public Health)

As with all eligible uses, recipients may pursue a project not listed above by undergoing the steps outlined in the section Framework for Eligible Uses Beyond Those Enumerated.



PUBLIC SECTOR CAPACITY

Recipients may use SLFRF funding to restore and bolster public sector capacity, which supports government's ability to deliver critical COVID-19 services. There are three main categories of eligible uses to bolster public sector capacity and workforce: Public Safety, Public Health, and Human Services Staff; Government Employment and Rehiring Public Sector Staff; and Effective Service Delivery.

Public Safety, Public Health, and Human Services Staff

SLFRF funding may be used for payroll and covered benefits for public safety, public health, health care, human services and similar employees of a recipient government, for the portion of the employee's time spent responding to COVID-19. Recipients should follow the steps below.

1. **Identify eligible public safety, public health, and human services staff.** Public safety staff include:

- ✓ Police officers (including state police officers)
- ✓ Sheriffs and deputy sheriffs
- ✓ Firefighters
- ✓ Emergency medical responders
- ✓ Correctional and detention officers
- ✓ Dispatchers and supervisor personnel that directly support public safety staff

Public health staff include:

- ✓ Employees involved in providing medical and other physical or mental health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions
- ✓ Laboratory technicians, medical examiners, morgue staff, and other support services essential for patient care
- ✓ Employees of public health departments directly engaged in public health matters and related supervisory personnel

Human services staff include:

- ✓ Employees providing or administering social services and public benefits
- ✓ Child welfare services employees
- ✓ Child, elder, or family care employees

2. **Assess portion of time spent on COVID-19 response for eligible staff.**

Recipients can use a variety of methods to assess the share of an employees' time spent responding to COVID-19, including using reasonable estimates—such as estimating the share of time based on discussions with staff and applying that share to all employees in that position.

For administrative convenience, recipients can consider public health and safety employees entirely devoted to responding to COVID-19 (and their payroll and benefits fully covered by SLFRF) if the



employee, or his or her operating unit or division, is “primarily dedicated” to responding to COVID-19. Primarily dedicated means that more than half of the employee, unit, or division’s time is dedicated to responding to COVID-19.

Recipients must periodically reassess their determination and maintain records to support their assessment, although recipients do not need to track staff hours.

3. **Use SLFRF funding for payroll and covered benefits for the portion of eligible staff time spent on COVID-19 response.** SLFRF funding may be used for payroll and covered benefits for the portion of the employees’ time spent on COVID-19 response, as calculated above, through the period of performance.

Government Employment and Rehiring Public Sector Staff

Under the increased flexibility of the final rule, SLFRF funding may be used to support a broader set of uses to restore and support public sector employment. Eligible uses include hiring up to a pre-pandemic baseline that is adjusted for historic underinvestment in the public sector, providing additional funds for employees who experienced pay cuts or were furloughed, avoiding layoffs, providing worker retention incentives, and paying for ancillary administrative costs related to hiring, support, and retention.

- **Restoring pre-pandemic employment.** Recipients have two options to restore pre-pandemic employment, depending on the recipient’s needs.
 - *If the recipient simply wants to hire back employees for pre-pandemic positions:* Recipients may use SLFRF funds to hire employees for the same positions that existed on January 27, 2020 but that were unfilled or eliminated as of March 3, 2021. Recipients may use SLFRF funds to cover payroll and covered benefits for such positions through the period of performance.
 - *If the recipient wants to hire above the pre-pandemic baseline and/or would like to have flexibility in positions:* Recipients may use SLFRF funds to pay for payroll and covered benefits associated with the recipient increasing its number of budgeted FTEs up to 7.5 percent above its pre-pandemic baseline. Specifically, recipients should undergo the following steps:
 - a. Identify the recipient’s budgeted FTE level on January 27, 2020. This includes all budgeted positions, filled and unfilled. This is called the *pre-pandemic baseline*.
 - b. Multiply the pre-pandemic baseline by 1.075. This is called the *adjusted pre-pandemic baseline*.
 - c. Identify the recipient’s budgeted FTE level on March 3, 2021, which is the beginning of the period of performance for SLFRF funds. Recipients may, but are not required to, exclude the number of FTEs dedicated to responding to the COVID-19 public health emergency. This is called the *actual number of FTEs*.
 - d. Subtract the *actual number of FTEs* from the *adjusted pre-pandemic baseline* to calculate the number of FTEs that can be covered by SLFRF funds. Recipients do not have to hire for the same roles that existed pre-pandemic.

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Recipients may use SLFRF funds to cover payroll and covered benefits through the period of performance; these employees must have begun their employment on or after March 3, 2021. Recipients may only use SLFRF funds for additional FTEs hired over the March 3, 2021 level (i.e., the *actual number of FTEs*).

- **Supporting and retaining public sector workers.** Recipients can also use funds in other ways that support the public sector workforce.¹⁰ These include:
 - **Providing additional funding for employees who experienced pay reductions or were furloughed** since the onset of the pandemic, up to the difference in the employee's pay, taking into account unemployment benefits received.
 - **Maintaining current compensation levels to prevent layoffs.** SLFRF funds may be used to maintain current compensation levels, with adjustments for inflation, in order to prevent layoffs that would otherwise be necessary.
 - **Providing worker retention incentives, including reasonable increases in compensation** to persuade employees to remain with the employer as compared to other employment options. Retention incentives must be entirely additive to an employee's regular compensation, narrowly tailored to need, and should not exceed incentives traditionally offered by the recipient or compensation that alternative employers may offer to compete for the employees. Treasury presumes that retention incentives that are less than 25 percent of the rate of base pay for an individual employee or 10 percent for a group or category of employees are reasonably proportional to the need to retain employees, as long as other requirements are met.
- **Covering administrative costs associated with administering the hiring, support, and retention programs above.**

Effective Service Delivery

SLFRF funding may be used to improve the efficacy of public health and economic programs through tools like program evaluation, data, and outreach, as well as to address administrative needs caused or exacerbated by the pandemic. Eligible uses include:

- **Supporting program evaluation, data, and outreach through:**

¹⁰ Recipients should be able to substantiate that these uses of funds are substantially due to the public health emergency or its negative economic impacts (e.g., fiscal pressures on state and local budgets) and respond to its impacts. See the final rule for details on these uses.



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- ✓ Program evaluation and evidence resources
- ✓ Data analysis resources to gather, assess, share, and use data
- ✓ Technology infrastructure to improve access to and the user experience of government IT systems, as well as technology improvements to increase public access and delivery of government programs and services
- **Addressing administrative needs, including:**
 - ✓ Administrative costs for programs responding to the public health emergency and its economic impacts, including non-SLFRF and non-federally funded programs
 - ✓ Community outreach and engagement activities
 - ✓ Capacity building resources to support using data and evidence, including hiring staff, consultants, or technical assistance support
 - ✓ Address administrative needs caused or exacerbated by the pandemic, including addressing backlogs caused by shutdowns, increased repair or maintenance needs, and technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, data and case management systems)



CAPITAL EXPENDITURES

As described above, the final rule clarifies that recipients may use funds for programs, services, and capital expenditures that respond to the public health and negative economic impacts of the pandemic. Any use of funds in this category for a capital expenditure must comply with the capital expenditure requirements, in addition to other standards for uses of funds.

Capital expenditures are subject to the same eligibility standard as other eligible uses to respond to the pandemic’s public health and economic impacts; specifically, they must be related and reasonably proportional to the pandemic impact identified and reasonably designed to benefit the impacted population or class.

For ease of administration, the final rule identifies enumerated types of capital expenditures that Treasury has identified as responding to the pandemic’s impacts; these are listed in the applicable sub-category of eligible uses (e.g., public health, assistance to households, etc.). Recipients may also identify other responsive capital expenditures. Similar to other eligible uses in the SLFRF program, no pre-approval is required for capital expenditures.

To guide recipients’ analysis of whether a capital expenditure meets the eligibility standard, recipients (with the exception of Tribal governments) must complete and meet the requirements of a written justification for capital expenditures equal to or greater than \$1 million. For large-scale capital expenditures, which have high costs and may require an extended length of time to complete, as well as most capital expenditures for non-enumerated uses of funds, Treasury requires recipients to submit their written justification as part of regular reporting. Specifically:

If a project has total capital expenditures of	and the use is enumerated by Treasury as eligible, then	and the use is beyond those enumerated by Treasury as eligible, then
Less than \$1 million	No Written Justification required	No Written Justification required
Greater than or equal to \$1 million, but less than \$10 million	Written Justification required but recipients are not required to submit as part of regular reporting to Treasury	Written Justification required and recipients must submit as part of regular reporting to Treasury
\$10 million or more	Written Justification required and recipients must submit as part of regular reporting to Treasury	

A Written Justification includes:

- *Description of the harm or need to be addressed.* Recipients should provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipients may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.



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- *Explanation of why a capital expenditure is appropriate.* For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- *Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.* Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

Where relevant, recipients should consider the alternatives of improving existing capital assets already owned or leasing other capital assets.

Treasury presumes that the following capital projects are generally ineligible:

- ✘ Construction of new correctional facilities as a response to an increase in rate of crime
- ✘ Construction of new congregate facilities to decrease spread of COVID-19 in the facility
- ✘ Construction of convention centers, stadiums, or other large capital projects intended for general economic development or to aid impacted industries

In undertaking capital expenditures, Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.



FRAMEWORK FOR ELIGIBLE USES BEYOND THOSE ENUMERATED

As described above, recipients have broad flexibility to identify and respond to other pandemic impacts and serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients should undergo the following steps to decide whether their project is eligible:

Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> • Can identify impact to a specific household, business or nonprofit or to a class of households, businesses or nonprofits (i.e., group) • Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class 	<ul style="list-style-type: none"> • Types of responses can include a program, service, or capital expenditure • Response should be related and reasonably proportional to the harm • Response should also be reasonably designed to benefit impacted individual or class

1. Identify a COVID-19 public health or negative economic impact on an individual or a class.

Recipients should identify an individual or class that is “impacted” or “disproportionately impacted” by the COVID-19 public health emergency or its negative economic impacts as well as the specific impact itself.

- “Impacted” entities are those impacted by the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency. For example, an individual who lost their job or a small business that saw lower revenue during a period of closure would both have experienced impacts of the pandemic.
- “Disproportionately impacted” entities are those that experienced disproportionate public health or economic outcomes from the pandemic; Treasury recognizes that pre-existing disparities, in many cases, amplified the impacts of the pandemic, causing more severe impacts in underserved communities. For example, a household living in a neighborhood with limited access to medical care and healthy foods may have faced health disparities before the pandemic, like a higher rate of chronic health conditions, that contributed to more severe health outcomes during the COVID-19 pandemic.

The recipient may choose to identify these impacts at either the individual level or at a class level. If the recipient is identifying impacts at the individual level, they should retain documentation supporting the impact the individual experienced (e.g., documentation of lost revenues from a small business). Such documentation can be streamlined in many cases (e.g., self-attestation that a household requires food assistance).

Recipients also have broad flexibility to identify a “class” – or a group of households, small businesses, or nonprofits – that experienced an impact. In these cases, the recipients should



first identify the class and the impact that it faced. Then, recipients only need to document that the individuals served fall within that class; recipients do not need to document a specific impact to each individual served. For example, a recipient could identify that restaurants in the downtown area faced substantial declines in revenue due to decreased foot traffic from workers; the recipient could develop a program to respond to the impact on that class and only needs to document that the businesses being served are restaurants in the downtown area.

Recipients should keep the following considerations in mind when designating a class:

- **There should be a relationship between the definition of the class and the proposed response.** Larger and less-specific classes are less likely to have experienced similar harms, which may make it more difficult to design a response that appropriately responds to those harms.
 - **Classes may be determined on a population basis or on a geographic basis,** and the response should be appropriately matched. For example, a response might be designed to provide childcare to single parents, regardless of which neighborhood they live in, or a response might provide a park to improve the health of a disproportionately impacted neighborhood.
 - **Recipients may designate classes that experienced disproportionate impact,** by assessing the impacts of the pandemic and finding that some populations experienced meaningfully more severe impacts than the general public. To determine these disproportionate impacts, recipients:
 - May designate classes based on academic research or government research publications (such as the citations provided in the supplementary information in the final rule), through analysis of their own data, or through analysis of other existing data sources.
 - May also consider qualitative research and sources to augment their analysis, or when quantitative data is not readily available. Such sources might include resident interviews or feedback from relevant state and local agencies, such as public health departments or social services departments.
 - Should consider the quality of the research, data, and applicability of analysis to their determination in all cases.
 - **Some of the enumerated uses may also be appropriate responses to the impacts experienced by other classes of beneficiaries.** It is permissible for recipients to provide these services to other classes, so long as the recipient determines that the response is also appropriate for those groups.
 - **Recipients may designate a class based on income level, including at levels higher than the final rule definition of "low- and moderate-income."** For example, a recipient may identify that households in their community with incomes above the final rule threshold for low-income nevertheless experienced disproportionate impacts from the pandemic and provide responsive services.
2. **Design a response that addresses or responds to the impact.** Programs, services, and other interventions must be reasonably designed to benefit the individual or class that experienced



the impact. They must also be related and reasonably proportional to the extent and type of impact experienced. For example, uses that bear no relation or are grossly disproportionate to the type or extent of the impact would not be eligible.

“Reasonably proportional” refers to the scale of the response compared to the scale of the harm, as well as the targeting of the response to beneficiaries compared to the amount of harm they experienced; for example, it may not be reasonably proportional for a cash assistance program to provide a very small amount of aid to a group that experienced severe harm and a much larger amount to a group that experienced relatively little harm. Recipients should consider relevant factors about the harm identified and the response to evaluate whether the response is reasonably proportional. For example, recipients may consider the size of the population impacted and the severity, type, and duration of the impact. Recipients may also consider the efficacy, cost, cost-effectiveness, and time to delivery of the response.

For disproportionately impacted communities, recipients may design interventions that address broader pre-existing disparities that contributed to more severe health and economic outcomes during the pandemic, such as disproportionate gaps in access to health care or pre-existing disparities in educational outcomes that have been exacerbated by the pandemic.



Premium Pay

The Coronavirus State and Local Fiscal Recovery Funds may be used to provide premium pay to eligible workers performing essential work during the pandemic. Premium pay may be awarded to eligible workers up to \$13 per hour. Premium pay must be in addition to wages or remuneration (i.e., compensation) the eligible worker otherwise receives. Premium pay may not exceed \$25,000 for any single worker during the program.

Recipients should undergo the following steps to provide premium pay to eligible workers.

- 1. Identify an “eligible” worker.** Eligible workers include workers “needed to maintain continuity of operations of essential critical infrastructure sectors.” These sectors and occupations are eligible:

- ✓ Health care
- ✓ Emergency response
- ✓ Sanitation, disinfection & cleaning
- ✓ Maintenance
- ✓ Grocery stores, restaurants, food production, and food delivery
- ✓ Pharmacy
- ✓ Biomedical research
- ✓ Behavioral health
- ✓ Medical testing and diagnostics
- ✓ Home and community-based health care or assistance with activities of daily living
- ✓ Family or child care
- ✓ Social services
- ✓ Public health
- ✓ Mortuary
- ✓ Critical clinical research, development, and testing necessary for COVID-19 response
- ✓ State, local, or Tribal government workforce
- ✓ Workers providing vital services to Tribes
- ✓ Educational, school nutrition, and other work required to operate a school facility
- ✓ Laundry
- ✓ Elections
- ✓ Solid waste or hazardous materials management, response, and cleanup
- ✓ Work requiring physical interaction with patients
- ✓ Dental care
- ✓ Transportation and warehousing
- ✓ Hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment

Beyond this list, the chief executive (or equivalent) of a recipient government may designate additional non-public sectors as critical so long as doing so is necessary to protecting the health and wellbeing of the residents of such jurisdictions.

- 2. Verify that the eligible worker performs “essential work,”** meaning work that:

- Is not performed while teleworking from a residence; and
- Involves either:
 - a. regular, in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or
 - b. regular physical handling of items that were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work.



- 3. Confirm that the premium pay “responds to” workers performing essential work during the COVID-19 public health emergency.** Under the final rule, which broadened the share of eligible workers who can receive premium pay without a written justification, recipients may meet this requirement in one of three ways:
- Eligible worker receiving premium pay is earning (with the premium included) at or below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ [Occupational Employment and Wage Statistics](#), whichever is higher, on an annual basis; or
 - Eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions; or
 - If a worker does not meet either of the above requirements, the recipient must submit written justification to Treasury detailing how the premium pay is otherwise responsive to workers performing essential work during the public health emergency. This may include a description of the essential worker’s duties, health, or financial risks faced due to COVID-19, and why the recipient determined that the premium pay was responsive. Treasury anticipates that recipients will easily be able to satisfy the justification requirement for front-line workers, like nurses and hospital staff.

Premium pay may be awarded in installments or lump sums (e.g., monthly, quarterly, etc.) and may be awarded to hourly, part-time, or salaried or non-hourly workers. Premium pay must be paid in addition to wages already received and may be paid retrospectively. A recipient may not use SLFRF to merely reimburse itself for premium pay or hazard pay already received by the worker, and premium pay may not be paid to volunteers.



Water & Sewer Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in water and sewer infrastructure. State, local, and Tribal governments have a tremendous need to address the consequences of deferred maintenance in drinking water systems and removal, management, and treatment of sewage and stormwater, along with additional resiliency measures needed to adapt to climate change.

Recipients may undertake the eligible projects below:

PROJECTS ELIGIBLE UNDER EPA'S CLEAN WATER STATE REVOLVING FUND (CWSRF)

Eligible projects under the CWSRF, and the final rule, include:

- ✓ Construction of publicly owned treatment works
- ✓ Projects pursuant to implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA)
- ✓ Decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
- ✓ Management and treatment of stormwater or subsurface drainage water
- ✓ Water conservation, efficiency, or reuse measures
- ✓ Development and implementation of a conservation and management plan under the CWA
- ✓ Watershed projects meeting the criteria set forth in the CWA
- ✓ Energy consumption reduction for publicly owned treatment works
- ✓ Reuse or recycling of wastewater, stormwater, or subsurface drainage water
- ✓ Security of publicly owned treatment works

Treasury encourages recipients to review the EPA handbook for the [CWSRF](#) for a full list of eligibilities.

PROJECTS ELIGIBLE UNDER EPA'S DRINKING WATER STATE REVOLVING FUND (DWSRF)

Eligible drinking water projects under the DWSRF, and the final rule, include:

- ✓ Facilities to improve drinking water quality
- ✓ Transmission and distribution, including improvements of water pressure or prevention of contamination in infrastructure and lead service line replacements
- ✓ New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage
- ✓ Green infrastructure, including green roofs, rainwater harvesting collection, permeable pavement
- ✓ Storage of drinking water, such as to prevent contaminants or equalize water demands
- ✓ Purchase of water systems and interconnection of systems
- ✓ New community water systems

Treasury encourages recipients to review the EPA handbook for the [DWSRF](#) for a full list of eligibilities.

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ADDITIONAL ELIGIBLE PROJECTS

With broadened eligibility under the final rule, SLFRF funds may be used to fund additional types of projects— such as additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs — beyond the CWSRF and DWSRF, if they are found to be “necessary” according to the definition provided in the final rule and outlined below.

- ✓ Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure
- ✓ Infrastructure to improve access to safe drinking water for individual served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination
- ✓ Dam and reservoir rehabilitation if primary purpose of dam or reservoir is for drinking water supply and project is necessary for provision of drinking water
- ✓ Broad set of lead remediation projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act, such as lead testing, installation of corrosion control treatment, lead service line replacement, as well as water quality testing, compliance monitoring, and remediation activities, including replacement of internal plumbing and faucets and fixtures in schools and childcare facilities

A “necessary” investment in infrastructure must be:

- (1) responsive to an identified need to achieve or maintain an adequate minimum level of service, which may include a reasonable projection of increased need, whether due to population growth or otherwise,
- (2) a cost-effective means for meeting that need, taking into account available alternatives, and
- (3) for investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life.

Please note that DWSRF and CWSRF-eligible projects are generally presumed to be necessary investments. Additional eligible projects generally must be responsive to an identified need to achieve or maintain an adequate minimum level of service. Recipients are only required to assess cost-effectiveness of projects for the creation of new drinking water systems, dam and reservoir rehabilitation projects, or projects for the extension of drinking water service to meet population growth needs. Recipients should review the supplementary information to the final rule for more details on requirements applicable to each type of investment.

APPLICABLE STANDARDS & REQUIREMENTS

Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.

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Broadband Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in broadband infrastructure, which has been shown to be critical for work, education, healthcare, and civic participation during the public health emergency. The final rule broadens the set of eligible broadband infrastructure investments that recipients may undertake.

Recipients may pursue investments in broadband infrastructure meeting technical standards detailed below, as well as an expanded set of cybersecurity investments.

BROADBAND INFRASTRUCTURE INVESTMENTS

Recipients should adhere to the following requirements when designing a broadband infrastructure project:

1. **Identify an eligible area for investment.** Recipients are encouraged to prioritize projects that are designed to serve locations without access to reliable wireline 100/20 Mbps broadband service (meaning service that reliably provides 100 Mbps download speed and 20 Mbps upload speed through a wireline connection), but are broadly able to invest in projects designed to provide service to locations with an identified need for additional broadband investment. Recipients have broad flexibility to define need in their community. Examples of need could include:
 - ✓ Lack of access to a reliable high-speed broadband connection
 - ✓ Lack of affordable broadband
 - ✓ Lack of reliable service

If recipients are considering deploying broadband to locations where there are existing and enforceable federal or state funding commitments for reliable service of at least 100/20 Mbps, recipients must ensure that SLFRF funds are designed to address an identified need for additional broadband investment that is not met by existing federal or state funding commitments. Recipients must also ensure that SLFRF funds will not be used for costs that will be reimbursed by the other federal or state funding streams.

2. **Design project to meet high-speed technical standards.** Recipients are required to design projects to, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds. In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, eligible projects may be designed to reliably meet or exceed 100/20 Mbps and be scalable to a minimum of symmetrical 100 Mbps download and upload speeds.

Treasury encourages recipients to prioritize investments in fiber-optic infrastructure wherever feasible and to focus on projects that will achieve last-mile connections. Further, Treasury encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, nonprofits, and co-operatives.



3. **Require enrollment in a low-income subsidy program.** Recipients must require the service provider for a broadband project that provides service to households to either:

- ✓ Participate in the FCC's Affordable Connectivity Program (ACP)
- ✓ Provide access to a broad-based affordability program to low-income consumers that provides benefits commensurate to ACP

Treasury encourages broadband services to also include at least one low-cost option offered without data usage caps at speeds sufficient for a household with multiple users to simultaneously telework and engage in remote learning. Recipients are also encouraged to consult with the community on affordability needs.

CYBERSECURITY INVESTMENTS

SLFRF may be used for modernization of cybersecurity for existing and new broadband infrastructure, regardless of their speed delivery standards. This includes modernization of hardware and software.

APPLICABLE STANDARDS & REQUIREMENTS

Treasury encourages recipients to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.



Restrictions on Use

While recipients have considerable flexibility to use Coronavirus State and Local Fiscal Recovery Funds to address the diverse needs of their communities, some restrictions on use of funds apply.

OFFSET A REDUCTION IN NET TAX REVENUE

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent.** If a state or territory cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than SLFRF, such as 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 repaid to the Treasury.

DEPOSITS INTO PENSION FUNDS

- **No recipients except Tribal governments may use this funding to make a deposit to a pension fund.** Treasury 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 connected to an eligible use of funds (e.g., for public health and safety staff). Examples of extraordinary payments include ones that:
 - ✗ Reduce a liability incurred prior to the start of the COVID-19 public health emergency and occur outside the recipient's regular timing for making the payment
 - ✗ Occur at the regular time for pension contributions but is larger than a regular payment would have been

ADDITIONAL RESTRICTIONS AND REQUIREMENTS

Additional restrictions and requirements that apply across all eligible use categories include:

- **No debt service or replenishing financial reserves.** Since SLFRF funds are intended to be used prospectively, recipients may not use SLFRF funds for debt service or replenishing financial reserves (e.g., rainy day funds).
- **No satisfaction of settlements and judgments.** Satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding is itself not an eligible use. However, if a settlement requires the recipient to provide services or incur other costs that are an eligible use of SLFRF funds, SLFRF may be used for those costs.
- **Additional general restrictions.** SLFRF funds may not be used for a project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute (e.g., uses of funds that

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undermine COVID-19 mitigation practices in line with CDC guidance and recommendations) and may not be used in violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance. Other applicable laws and regulations, outside of SLFRF program requirements, may also apply (e.g., laws around procurement, contracting, conflicts-of-interest, environmental standards, or civil rights).



Program Administration

The Coronavirus State and Local Fiscal Recovery Funds final rule details a number of administrative processes and requirements, including on distribution of funds, timeline for use of funds, transfer of funds, treatment of loans, use of funds to meet non-federal match or cost-share requirements, administrative expenses, reporting on use of funds, and remediation and recoupment of funds used for ineligible purposes. This section provides a summary for the most frequently asked questions.

TIMELINE FOR USE OF FUNDS

Under the SLFRF, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.

TRANSFERS

Recipients may undertake projects on their own or through subrecipients, which carry out eligible uses on behalf of a recipient, including pooling funds with other recipients or blending and braiding SLFRF funds with other sources of funds. Localities may also transfer their funds to the state through section 603(c)(4), which will decrease the locality's award and increase the state award amounts.

LOANS

Recipients may generally use SLFRF funds to provide loans for uses that are otherwise eligible, although there are special rules about how recipients should track program income depending on the length of the loan. Recipients should consult the final rule if they seek to utilize these provisions.

NON-FEDERAL MATCH OR COST-SHARE REQUIREMENTS

Funds available under the "revenue loss" eligible use category (sections 602(c)(1)(C) and 603(c)(1)(C) of the Social Security Act) generally may be used to meet the non-federal cost-share or matching requirements of other federal programs. However, note that SLFRF funds may not be used as the non-federal share for purposes of a state's Medicaid and CHIP programs because the Office of Management and Budget has approved a waiver as requested by the Centers for Medicare & Medicaid Services pursuant to 2 CFR 200.102 of the Uniform Guidance and related regulations.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the Infrastructure Investment and Jobs Act provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. Recipients should consult the final rule for further details if they seek to utilize SLFRF funds as a match for these projects.

ADMINISTRATIVE EXPENSES

SLFRF funds may be used for direct and indirect administrative expenses involved in administering the program. For details on permissible direct and indirect administrative costs, recipients should refer to Treasury's [Compliance and Reporting Guidance](#). Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.

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REPORTING, COMPLIANCE & RECOUPMENT

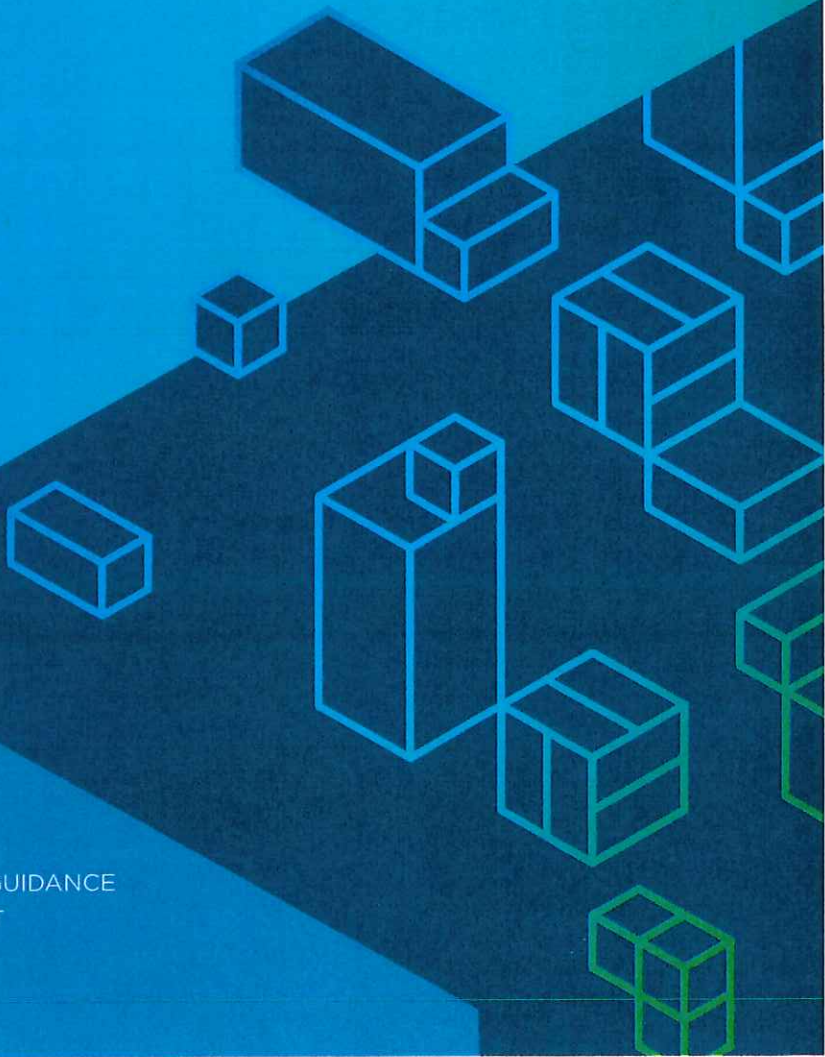
Recipients are required to comply with Treasury's [Compliance and Reporting Guidance](#), which includes submitting mandatory periodic reports to Treasury.

Funds used in violation of the final rule are subject to remediation and recoupment. As outlined in the final rule, Treasury may identify funds used in violation through reporting or other sources. Recipients will be provided with an initial written notice of recoupment with an opportunity to submit a request for reconsideration before Treasury provides a final notice of recoupment. If the recipient receives an initial notice of recoupment and does not submit a request for reconsideration, the initial notice will be deemed the final notice. Treasury may pursue other forms of remediation and monitoring in conjunction with, or as an alternative to, recoupment.



LOCAL FISCAL RECOVERY FUNDS *Playbook*

U.S. DEPARTMENT OF THE TREASURY GUIDANCE
FOR THE AMERICAN RESCUE PLAN ACT



About the National League of Cities

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence Federal policy and drive innovative solutions.

Authors

Martin Brown, Program Manager, Center for City Solutions

Julia Bauer, ARPA Research Specialist, Center for City Solutions

Archana Sridhar, Grassroots Advocacy Senior Specialist, Federal Advocacy

Zach Gossett, Federal Advocacy Specialist, Federal Advocacy

Michael Bartlett, Program Manager, Institute for Youth, Education and Families

Nancy Lim, Program Director, Institute for Youth, Education and Families

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Foreword

With the stroke of a pen, President Biden ensured \$65.1 billion in direct federal aid to municipalities across the nation that have experienced unprecedented financial hardships over the past two years due to the COVID-19 pandemic. The American Rescue Plan Act has centered racial equity in its policymaking, and as our municipalities prepare to receive much-needed relief, we are eager to bring these resources to bear to focus on recovering and rebuilding from the devastation of the pandemic.

There is much left to be done to protect the lives and livelihoods of all our residents, including ensuring equitable vaccine distribution, protecting our frontline workers, supporting our local businesses, and providing critical assistance to our residents struggling to make ends meet through rental relief and other support programs. We can already see the American Rescue Plan Act is sparking new life into our nation's hometowns and offers hope to those who need it most. Local governments are putting this crucial aid into action for residents, households and small businesses that are at the heart of our nation's cities, towns, and villages everywhere.

The National League of Cities is dedicated to cities, towns and villages across the country, and will continue to develop the tools and resources needed to help communities navigate this federal legislation and leverage this tremendous opportunity to maximize their impact.

Clarence E. Anthony
CEO AND EXECUTIVE DIRECTOR
National League of Cities

\$65.1 billion
In direct federal aid to municipalities
across the nation

DISCLAIMER: The information contained here is not legal advice. It will be subject to change based on updates from the U.S. Department of the Treasury, and any recipients should confirm applicability to their specific situation.



Introduction

On March 11, 2021, nearly a year after our nation shut down to stave off the fast-moving coronavirus pandemic, we marked a historic moment in the U.S. fight against COVID-19. [President Biden signed the American Rescue Plan Act \(ARPA\)](#) into law. The President and Congress delivered historic, unprecedented and meaningful aid to more than 26,000 of America's cities, towns and villages. The National League of Cities' (NLC's) year-long "Cities Are Essential" advocacy campaign resulted in \$65.1 billion of direct aid to every city, town and village across the country.

This local direct aid is part of the broader Coronavirus State and Local Fiscal Recovery Fund (SLFRF) within ARPA. The SLFRF provides \$350 billion for states, municipalities, counties, tribes and territories, including \$130 billion for local governments split evenly between municipalities and counties.¹ ARPA requires the U.S. Department of the Treasury (Treasury) to disburse \$45.6 billion of the total \$65.1 billion for municipalities to metropolitan cities, which are "entitlement communities" under the U.S. Department of Housing and Urban Development's (HUD's) Community Development Block Grant (CDBG) program. These communities are cities, towns and villages with populations greater than 50,000 or principal cities of Metropolitan Statistical Areas (MSAs), including those that relinquish or defer their status in the CDBG program.² States are required to pass through \$19.5 billion to "non-entitlement units" (NEUs) of local government, which are municipalities that typically serve populations of less than 50,000 residents and are not considered metropolitan cities.³ This funding

is being released in two allotments, the first half beginning the 60 days following enactment of the legislation and the second half 12 months after the first payment.⁴

The purpose of SLFRF is to "provide a substantial infusion of resources to help local governments turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery."⁵ Specifically, it is intended to protect the health and safety of residents, help workers, renters and businesses get back on their feet, and address racial disparities, inequities and disproportionate harm caused or exacerbated by the pandemic.

Local leaders have been on the frontline of the pandemic response for over a year, working with limited budgets and increased expenses to protect their communities from COVID-19. Although America still has a long road to recovery, this funding is a critical step forward.

At its core, the SLFRF within ARPA represents a federal strategy that recognizes local governments as one of the most pivotal and trusted partners needed to recover from the pandemic, rebuild the national economy and address systemic inequality. The following playbook is designed to educate local leaders on the value of this historic funding program, help them access critical implementation resources from the Treasury and NLC, and generate the biggest impact for their communities.



Roadmap of Treasury Guidance

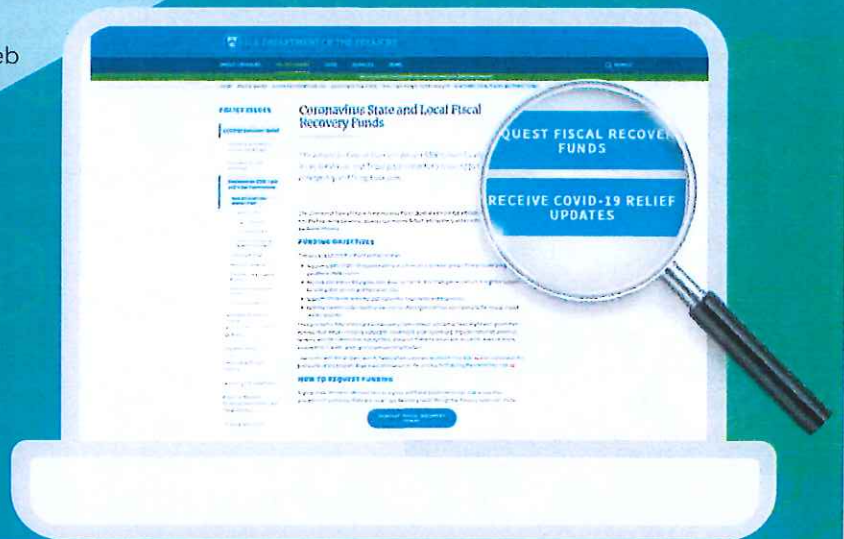
The Treasury created a landing page with information related to SLFRF, which can be accessed with this address:

[Treasury.gov/SLFRF](https://www.treasury.gov/SLFRF).

This page outlines funding objectives, requesting funds, funding allocations/methodology, information for NEUs, trenching of funds, use of funds/compliance/reporting, and the Interim Final Rule.

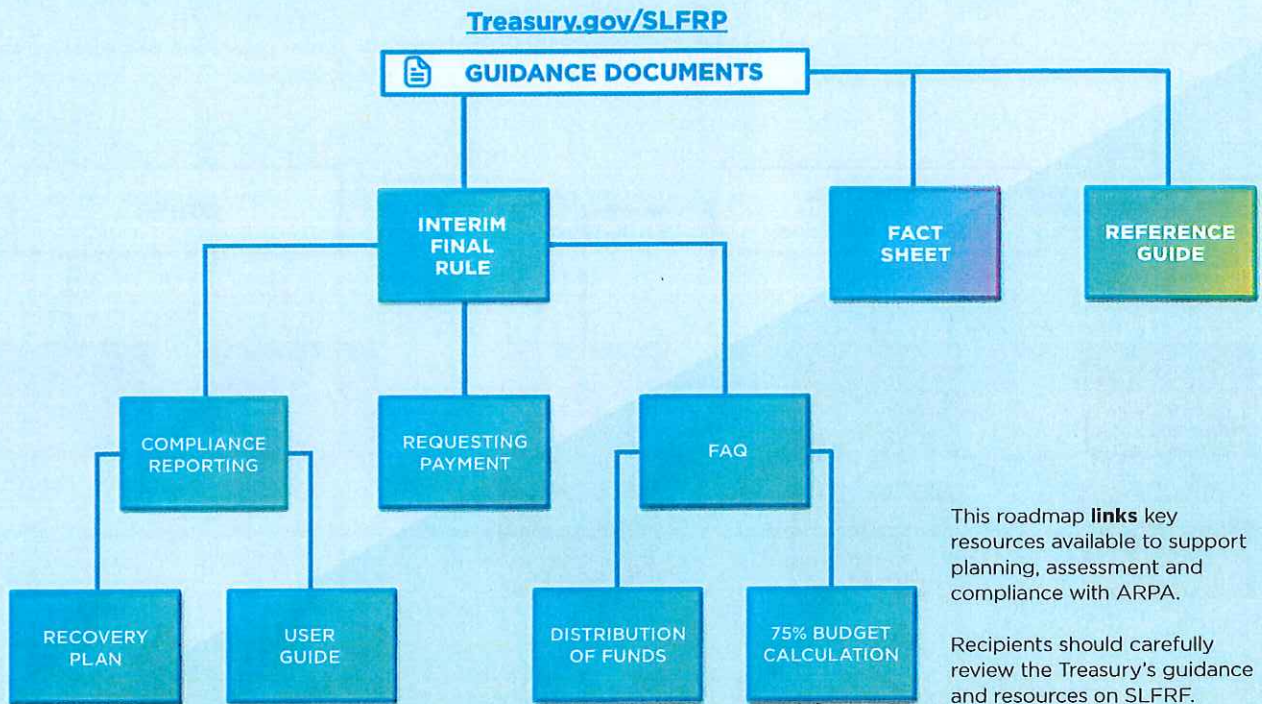
The Treasury also created the following additional web pages under the SLFRF section:

- “[Request Funding](#),”
- “[Non-Entitlement Units](#),” and
- “[Recipient Compliance and Reporting Responsibilities](#)”.





Roadmap of Treasury Guidance



This roadmap **links** key resources available to support planning, assessment and compliance with ARPA.

Recipients should carefully review the Treasury's guidance and resources on SLFRF.

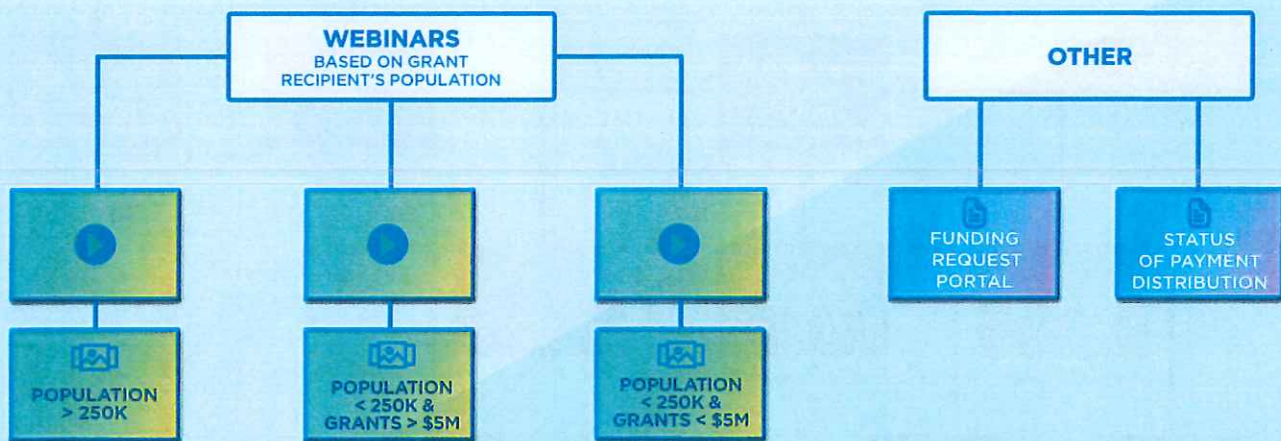


Click on each box to learn more.





Roadmap of Treasury Guidance



 DOCUMENT

 WEBINAR RECORDING

 SLIDE PRESENTATION

Click on each box
to learn more.





NLC Resource Map for Allowable Uses

SLFRF offers substantial flexibility on funding uses but focuses on helping cities and states respond to the negative economic impacts of COVID-19, replenish lost government revenues, and update their water and broadband infrastructure.

NLC has developed a variety of resources that address general questions related to SLFRF and provides guidance on best practices to effectively utilize these funds by the eligible use categories.



NLC Resource Map For Allowable Uses

WEBINAR

ARTICLES

General



[Arpa coronavirus local fiscal recovery funds guidance update \(call\)](#)

[5 Big takeaways from treasury's july faq updates](#)

[A local leader's guide to talking about the arpa](#)

[U.S. Treasury guidance on using coronavirus state and local fiscal recovery funds](#)

[Arpa local relief frequently asked questions](#)



NLC Resource Map For Allowable Uses


	WEBINARS	FACT SHEETS	OTHERS
Administrative	The fundamentals of budgeting with ARPA	How non-entitlement units of local government access recovery funds	The urgency of smart relief fund strategy
	ARPA fiscal recovery funds update reporting requirements	How states can allocate coronavirus state & local recovery funds to local governments	Key opportunities in post-pandemic tech
	Coordinating federal relief: assessing community needs	How to meet the reporting requirements for coronavirus state & local recovery funds	Three key takeaways from reporting guidance
		How to spend coronavirus state & local recovery funds	The american rescue plan: benchmarking
		How to use arpa to access coronavirus state & local recovery funds	Procurement 101: how to spend ARPA dollars wisely
			Community engagement strategies for funding
			City/county coordination is vital for recovery plan
			What small cities need to know to access funds
			Recovery: 5 principles for ARPA implementation
			Local recovery: 5 principles for ARP implementation



NLC Resource Map For Allowable Uses

WEBINAR

ARTICLES

Infrastructure	 Q&A: How ARPA is impacting water infrastructure	ARPA clean water infrastructure	Using ARPA funds for water, wastewater and stormwater infrastructure projects
		ARPA drinking water infrastructure	How cities can use ARPA to advance digital inclusion
		Treasury expands broadband eligibility for ARPA in a win for cities	
		Infrastructure investments will advance environmental priorities	ARPA local recovery funds: what's in it for connectivity and technology?



NLC Resource Map For Allowable Uses

WEBINARS

ARTICLES

Negative Economic Impact

●
[How arpa is impacting small businesses](#)

[Advancing equitable economic mobility in cities](#)

[Guaranteed income pilot projects with ARPA funding](#)

●
[Utilizing ARPA funding to advance cooperative business ownership](#)

[Corporate partner relief and recovery resources](#)

[Utilizing arpa funding to advance cooperative business ownership](#)

●
[Leveraging ARPA funds for small businesses](#)

[Employee ownership in the American Rescue Plan](#)

[Growing residents' credit through the ARPA](#)

[Supporting local businesses with America's Rescue Plan](#)



NLC Resource Map For Allowable Uses

ARTICLES

FACT SHEETS

Premium Pay

[What local leaders can learn from the city of oxford in supporting frontline workers](#)

[How to use ARPA funds to provide premium pay to eligible workers](#)

Revenue Replacement

[Lost revenue: What municipalities need to know](#)

[How to use coronavirus state and local recovery funds to ease budget shortfalls](#)



NLC Resource Map For Allowable Uses

Articles

Public Health

[Leveraging ARPA funds for vaccine promotion](#)

[How local incentives can help accelerate the vaccination effort](#)

[Former contact tracers can continue to support the public's health in cities beyond Covid-19](#)

[Cities in action: Cities using partnerships to increase vaccination distribution and equity](#)

[Vaccinating hard-to-reach communities](#)



NLC Resource Map For Allowable Uses

Childhood, Families and Education

Economy

Services to Impacted Communities

Webinar | [How state and local partnerships can support afterschool and summer learning](#)

[Making up for lost instructional time: reengaging middle and high school students](#)

[How to spend ARPA funds with an equity lens](#)

[Utilizing recovery funds to support vulnerable children and families](#)

[Strategies to increase participation in eviction prevention and diversion](#)

[Partnering with cities: Leveraging ARPA funds for early childhood success](#)

[Embedding equity into how your city does business for early childhood success](#)

[Advancing justice and community safety via the american rescue plan](#)

[Aligning city, county, and state for early childhood success](#)

[Feeding more youth while strengthening child care businesses](#)

[How ARPA funds can level the playing field to aid vulnerable families in debt](#)

[Developing early childhood success through local investments](#)

[Supporting education success through ARPA](#)

[ARPA supporting housing stability and income security](#)

[One pager: initial guidance on using ARPA funds to bring nature's benefits to children](#)

[Supporting early childhood with ARPA](#)

[How the ARPA is supporting food access and jobs](#)



Supporting Cities, Towns & Villages

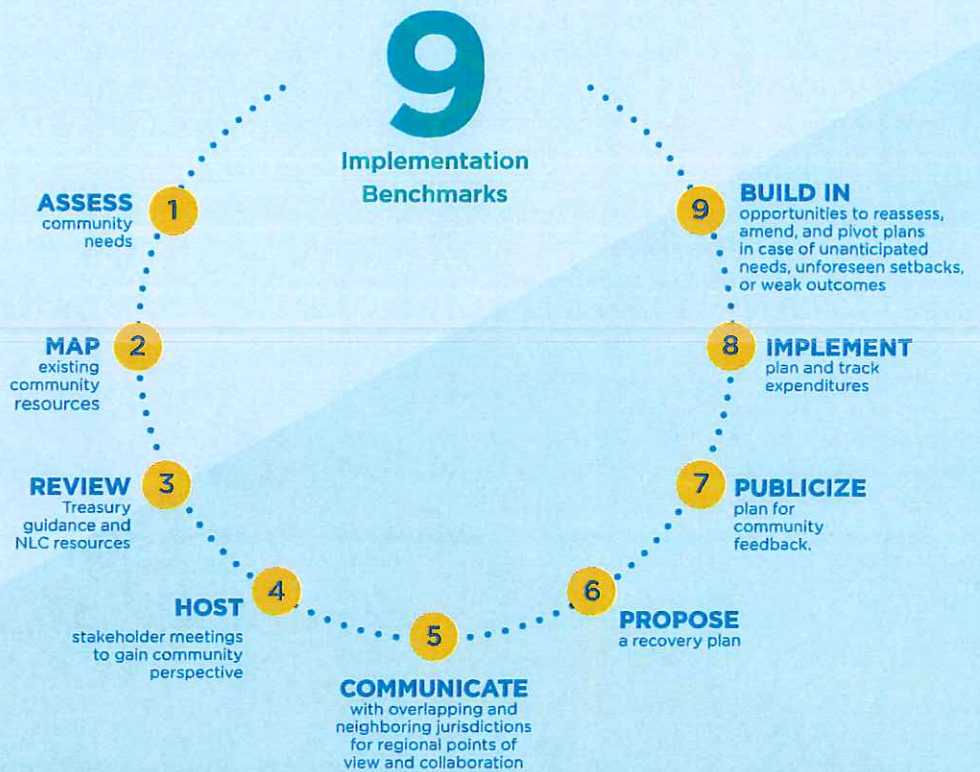
ARPA's historic investment provides a tremendous opportunity for cities, towns and villages to set their communities on a long-term path to equitable recovery and economic prosperity, and NLC is assisting municipalities with key research, resources and support. Municipalities will receive SLFRF funds in 2021 and 2022. They have until December 31, 2024, to obligate their SLFRF funds and December 31, 2026, to disburse their SLFRF funds. With this time, municipalities can assess the needs of their communities to develop strategic plans that meet those needs, while keeping an eye towards the future. This report provides resources to help municipalities access their SLFRF funds, determine eligible expenditures and reporting requirements, and provides clarity on many other aspects of ARPA and SLFRF.



Implementation Benchmarks

To support municipal efforts in developing their SLFRF plans, NLC set [nine implementation benchmarks](#) to guide SLFRF recipients.

As [these benchmarks](#) indicate, the Treasury intends for flexibility within the SLFRF's eligible uses as communities address the pandemic's negative impacts while enabling equitable recovery. To prioritize equitable recovery, municipalities can implement inclusive community engagement measures, especially by including those with the greatest need, to aid in recovery planning and funding decisions.





Beyond SLFRF

In addition to SLFRF, ARPA includes other critical investments that will flow to (or through) municipalities, from other levels of government and organizations. When making funding decisions for recovery plans, local governments should consider all possible funding streams and community resources to maximize municipal resources. NLC recommends the following key programs under ARPA streams (beyond SLFRF) that may be relevant to municipalities and their communities.



Child Tax Credit

The Child Tax Credit (CTC) is a tax benefit to help all families who are raising children. ARPA expanded the eligibility and amounts for CTC to help many families receive advanced payments, but the changes are for the 2021 tax year only.

[How the American Rescue Plan Is Providing More Money to Families through Tax Credits](#)



Emergency Rental Assistance

The Emergency Rental Assistance (ERA) Program is designed to help landlords and tenants recover from the economic impacts of the COVID-19 pandemic to avoid housing insecurity and eviction. The Treasury distributed ERA funds to states and many local governments.

[6 Do's and Don'ts How-to Guide to ERA Access ERA 3 Things to Know](#)



Capital Projects Fund

The Capital Project Fund program is a flexible, \$10 billion fund for investment in "Capital Projects designed to directly enable work, education and health monitoring." While this fund will be controlled by states, state governments will have the ability to target covered projects to specific communities in need and may opt to subgrant funding to local governments.

[New Guidance on ARPA Funds for Broadband Projects](#)

There are many more programs in ARPA. NLC launched the [ARPA Grant Navigation Program](#) to assist cities, towns and villages in identifying and gathering application deadlines for federal programs available under ARPA. Check out the [landing page](#) to learn more and see if your municipality is eligible.



Conclusion

NLC is dedicated to developing the tools and resources needed to help communities navigate federal legislation and leverage this tremendous opportunity to maximize impact. In addition to the benchmarks and guidance outlined above, NLC has **three final tips** for municipalities as they embark on their equitable recoveries from the COVID-19 pandemic.



1 Take your time to ensure equitable outcomes

Municipalities have time to make an equitable plan and put it into motion. SLFRF doesn't need to be obligated until December 31, 2024 and municipalities have until December 31, 2026 to expend their funds. Municipalities should use this time to plan for equitable outcomes by conducting community assessments and engaging with their communities to better understand their needs.



2 Partner for greater impact

Connect with county and state leaders to align efforts for greater regional impact. All levels of government and state municipal leagues should work to support local recovery and build equitable and resilient communities



3 Share your plans and learn from peers

Many municipal leaders across the country are beginning to develop recovery plans. For cities that have developed plans, they are sharing them with their communities. Sharing plans provides communities with a roadmap for recovery. For ideas and insights on how other cities, towns and villages, are leveraging ARPA and SLFRF, please visit [NLC's Bloomberg COVID-19 Local Action Tracker](#).

Appendix

GUIDANCE DOCUMENTS

Interim Final Rule

- Frequently Asked Questions (Periodically Updated)
 - Update on Interpretation for the 75 Percent Budget Cap Calculation (NEUs) (06/30/21)
 - FAQs on Distribution of Funds to NEUS
- Non-entitlement Unit of Local Government Checklist for Requesting Initial Payment
- Compliance and Reporting Guidance
 - Recovery Plan Template
 - Reporting Portal User Guide (Interim Report and Recovery Plan only)

SLFRF Fact Sheet

SLFRF Quick Reference Guide

WEBINARS

Local recipients with population over 250,000 - Presentation

Local recipients with populations under 250,000 and grants over \$5 million - Presentation

Local recipients with populations under 250,000 and grants under \$5 million - Presentation

OTHER

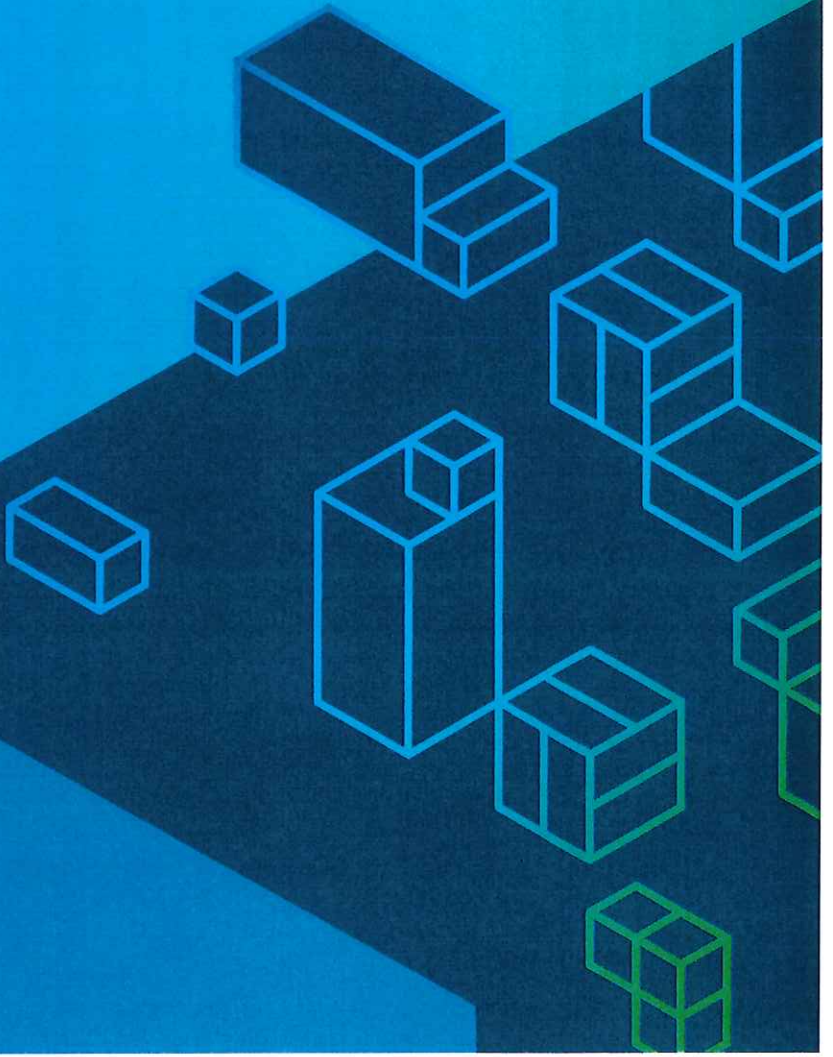
Status of Payments to States for Distribution to Non-entitlement Units of Local Government

Funding Request Portal

Endnotes

- ¹ Department of the Treasury. (2021). *Coronavirus State and Local Fiscal Recovery Funds*.
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
- ² Census Bureau. (2021). *Metropolitan and Micropolitan Statistical Area Standards*.
<https://www.census.gov/programs-surveys/metro-micro/about.html>
- ³ Department of the Treasury. (2021). *Coronavirus State and Local Fiscal Recovery Funds*.
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
- ⁴ Department of the Treasury. (2021). *Coronavirus State and Local Fiscal Recovery Funds*.
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
- ⁵ Department of the Treasury. (2021). *Coronavirus State and Local Fiscal Recovery Funds*.
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

NLC NATIONAL
LEAGUE
OF CITIES
CITIES STRONG TOGETHER





CITY OF HOPEWELL

MARCH 8, 2022

HOPEWELL CARES PROGRAM



BACKGROUND

- In response to the COVID-19 pandemic, City Council created the Hopewell CARES program utilizing funding from the CARES Act, Annual CDBG, and CDBG-CV.
- City contracted with Commonwealth Catholic Charities to implement programs.



BACKGROUND

Hopewell CARES consists of two programs:

- 1) Rent, Mortgage & Utility (RMU) Payment Assistance
October 2020 – May 2021
- 2) Services for Persons Experiencing Housing Insecurity
October 2020 - ongoing



RMU Overview

- \$258,428.00 RMU Program Funds
 - \$170,851 - CARES I & II
 - \$33,468 - Annual CDBG Allocation (FY2020)
 - \$54,109 - CDBG-CV
- (Includes Project Delivery Costs)

The RMU Program started in October 2020 and ended in May 2021 after funds were fully expended. The state payment assistance program started in May 2021.



RMU Overview

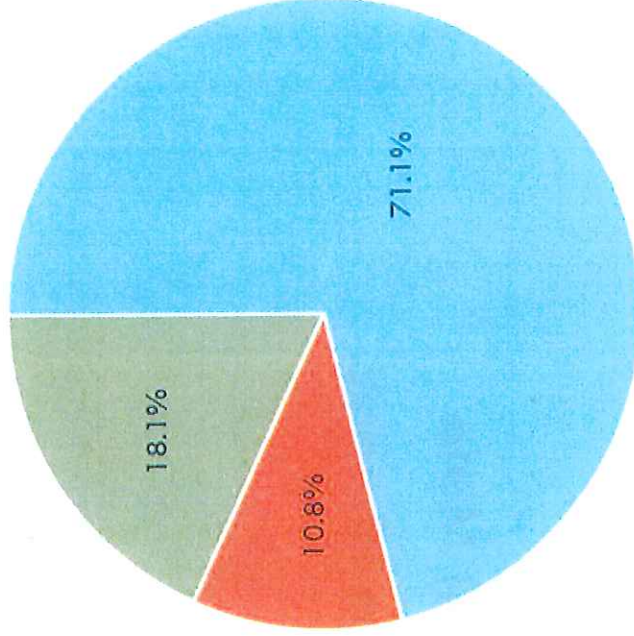
RMU PROGRAM-DIRECT COSTS

- 107 Applications totaling 271 persons (121 Adults, 150 Children)

RENT - \$141,610

MORTGAGE - \$21,505

UTILITY - \$36,002



■ RENT ■ MORTGAGE ■ UTILITY



RMU Overview

- Of the 107 Applicants:
 - ▣ 96 (89.7%) Female & 11 (10.3%) Male
 - 77 (72.0%) African-American – non-Hispanic
 - 20 (18.7%) White – non-Hispanic
 - 4 (3.7%) White-Hispanic
 - 3 (2.8%) Other-Hispanic
 - 1 (0.9%) African-American-Hispanic
 - 1 (0.9%) African-American-White
 - 1 (0.9%) American Indian – non-Hispanic



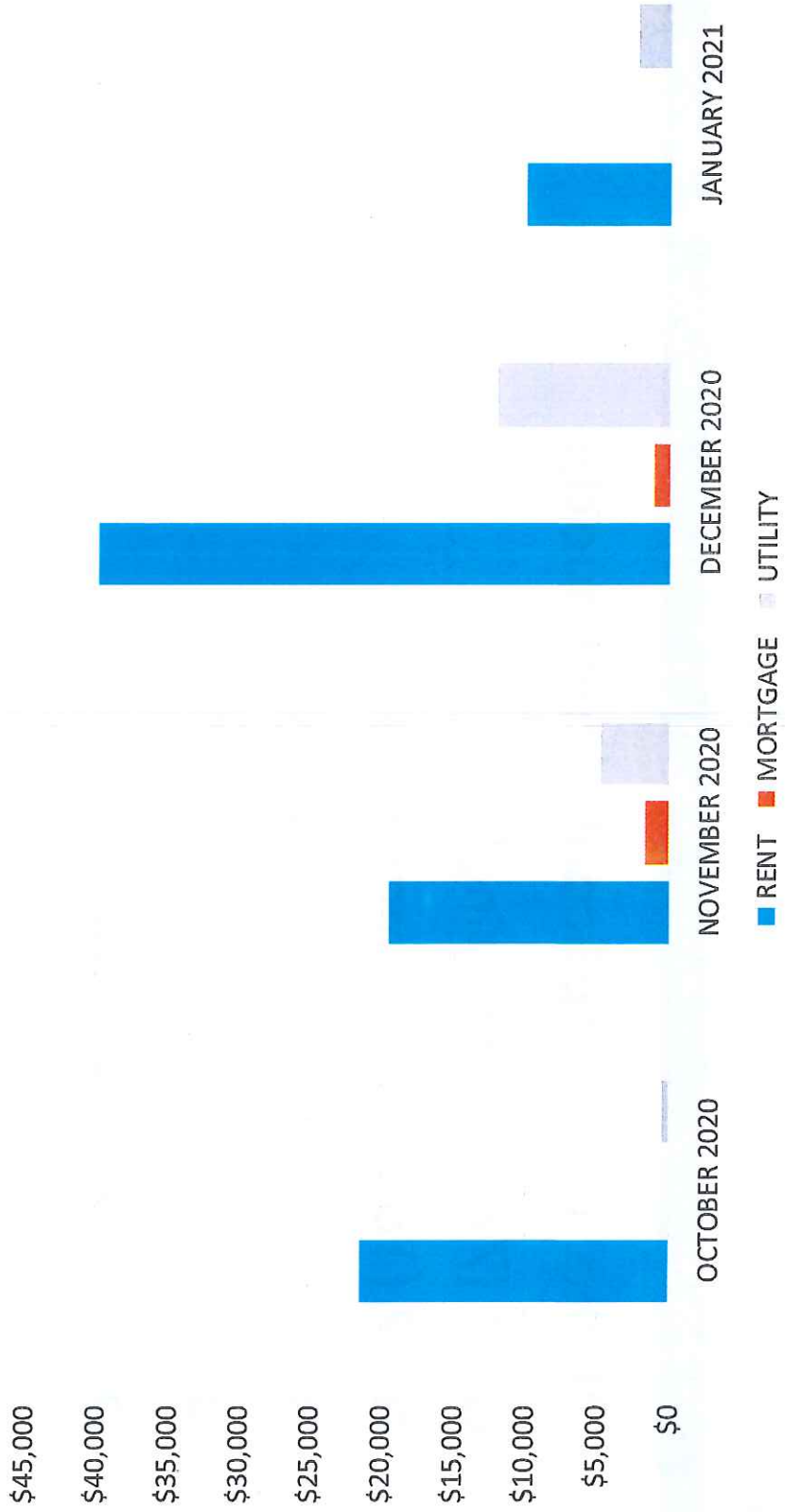
RMU Overview

- Of the 107 Applicants (continued):
 - 84 (78.5%) are single
 - 19 (16.8%) are married
 - 2 (1.9%) are divorced
 - 1 (0.9%) is separated
 - 1 (0.9%) is widowed



RMU Overview

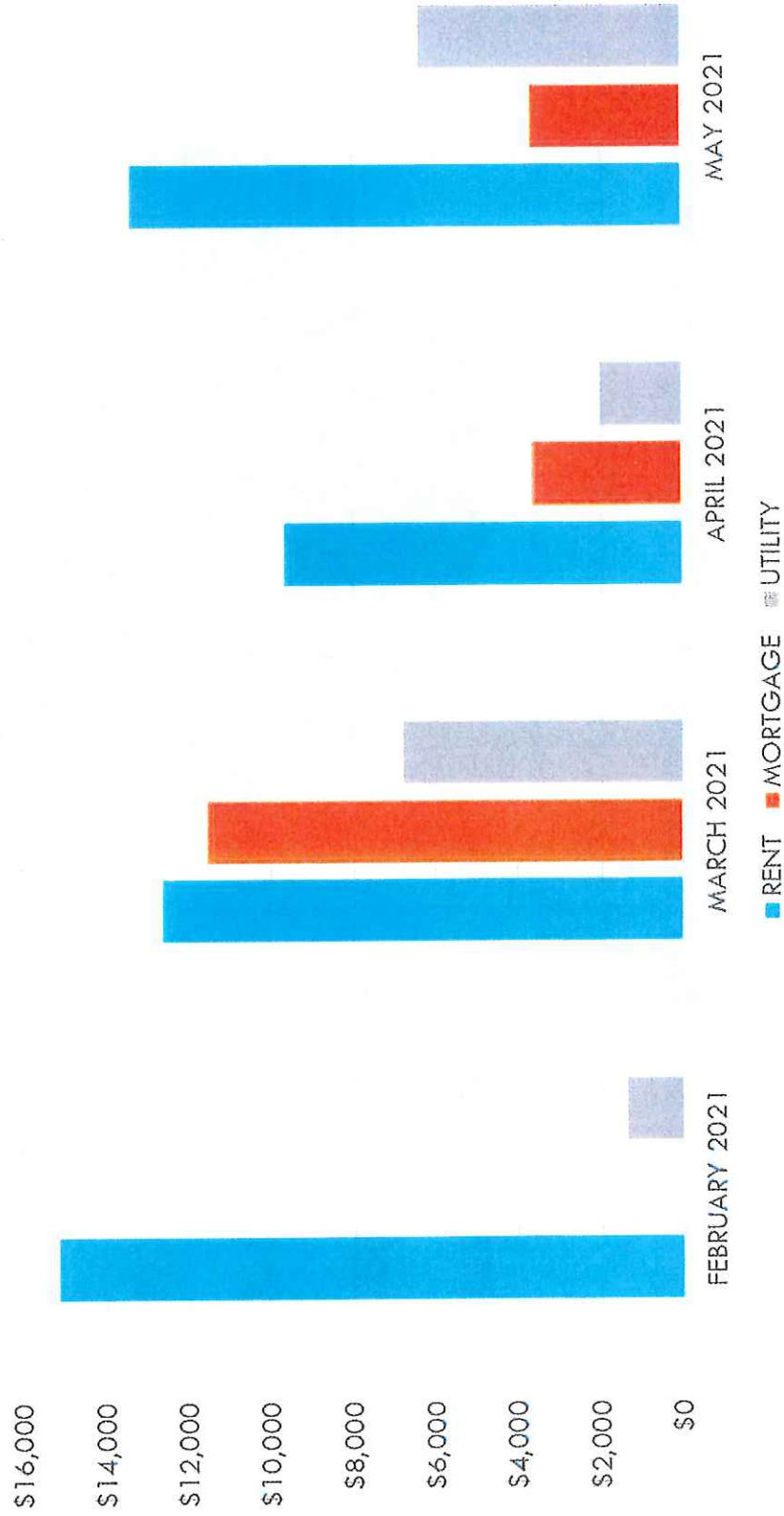
RMU – MONTHLY EXPENDITURES





RMU Overview

RMU – MONTHLY EXPENDITURES

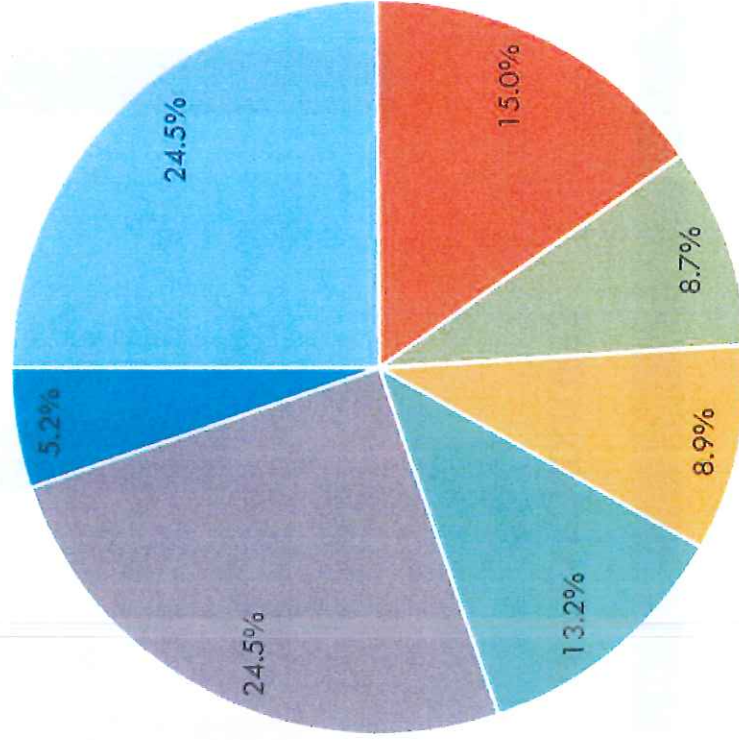




RMU Overview

TOTAL PROGRAM EXPENDITURES BY WARD

- WARD 1- \$48,809 (24.5%)
- WARD 2- \$29,933 (15.0%)
- WARD 3- \$17,226 (8.7%)
- WARD 4- \$17,738 (8.9%)
- WARD 5- \$26,346 (13.2%)
- WARD 6- \$48,744 (24.5%)
- WARD 7- \$10,319 (5.2%)



■ WARD 1 ■ WARD 2 ■ WARD 3 ■ WARD 4 ■ WARD 5 ■ WARD 6 ■ WARD 7

QUESTIONS?



Housing Insecurity Assistance

- Purpose
 - To protect vulnerable populations from COVID-19
 - Persons that are housing insecure are considered vulnerable
 - To provide safe, decent, quality housing
 - To help clients sustain permanent housing
 - To improve the clients overall quality of life by providing wrap-around resources and educational resources



Housing Insecurity Assistance

- ❑ Congregate shelters (Warming Shelter) closed during COVID-19 pandemic to reduce spread
- ❑ Beneficiaries expanded to include Singles & Families
- ❑ Eligible Payments
 - ❑ Hotel stays
 - ❑ Application fee
 - ❑ Security deposit
 - ❑ Rent
 - ❑ Identification documents (vital statistics, DMV, license, etc.)
 - ❑ Rent Arrears
 - ❑ Utilities payments and deposits



Housing Insecurity Assistance

□ TOTAL ALLOCATION FOR PROGRAM: \$338,974

FUNDING SOURCE	ALLOCATION	BALANCE
CARES I & II	\$145,890.50	0.00
CDBG-CV (FY 2019)	\$54,109.50	\$15,006.96
CDBG FY 2020	\$33,468	\$35.30
CDBG-CV3	\$105,506	\$105,207.58
TOTAL REMAINING FOR PROGRAM		\$120,214.54

All figures include program administration

Households Served



- October – December 2020: 43
 - January 2021 - November 2021: 92
 - **Total households Served:135**
 - **Last invoice received November 2021**
- 

Services provided in 2020

Type of Service	# of Units Provided	Amount of Funds Distributed
Application Fees	11	\$482.00
Identification Documents	12	\$377.15
Security Deposits	4	\$3,708.00
Rent Arrears	1	\$5,285.46
Rent	10	\$5,315.29
Utilities	2	\$592.07
Hotel Stays	50	\$21,175.20
Total Funding Provided in 2020		\$36,935.17

Services provided in 2021

Type of Service	# of Units Provided	Amount of Funds Distributed
Application Fees	1	\$35
Identification Documents	7	\$237.15
Security Deposits	12	\$12,892
Rent Arrears	0	-
Rent	20	\$10,993.79
Utilities	4	\$659.05
Hotel Stays*	233	\$105,249.52
Total Funding Provided in 2021		\$130,066.51

*represents # of times a request for funding was made for hotel stays. Does not represent nights. Statistics are from January 2021- November 2021

General Observations



- ❑ Hotel stays constituted 57% of funds expended in 2020.
- ❑ This percentage increased to 81% in 2021
- ❑ In 2020, rent payments comprised 14% of direct costs, and in 2021, 8%.
- ❑ Providing security deposits to help transition people from a hotel or non-permanent living situation made up 10% of direct cost expenses.

Hotel Partners



- Quality Inn (Prince George County)
- Rodeway Inn at Fort Lee (City of Hopewell)
- Smartmove (Chesterfield County)
- Cost of 1 night stay ranged from \$41.60- \$60.00

Permanent Housing



- ❑ Permanent Housing was located in Hopewell when available
- ❑ Housing also located in surrounding jurisdictions (Chesterfield, Petersburg, Colonial Heights)
- ❑ Decisions were made based on proximity to jobs, family, resources, costs, and availability

Where are we now?



- Approximately \$120,000 remain for homeless services.
- Based on previous expenditures, funds should sustain program until June 2022.
- Social Services & Development Department are discussing future budget needs with Commonwealth Catholic Charities to continue program past June 2022 with the same services.



QUESTIONS?

Thank you for your time and attention.

**City of Hopewell, VA
CARES ACT
Coronavirus Relief Fund (CRF)**

**Budgetary and Financial
Round 1 and Round 2
Interim Reporting
For the Period of
June 1, 2020 – December 31, 2021**

**City of Hopewell, VA
CRF
Table of Contents**

- **Funding Allocations**

- **Schedule of Revenues and Expenditures**

- **Budget and Actual-Spending Category**
 - **Summary Round 1 and Round 2**

**City of Hopewell, VA
CRF
Funding Allocations
(Revenue)**

1st Allocation-June 1, 2020 \$1,965,568

2nd Allocation-August 17, 2020 \$1,965,568

Total \$3,931,136

City of Hopewell, VA
CRF
Schedule of Revenues and Expenditures
Budget and Actual-Spending Category

- **Summary Round 1 and Round 2**

- **Summary Round 1 and Round 2**



CITY OF HOPEWELL CORONAVIRUS FUND BUDGET UPDATE

Spending Category	Round 1	MUNIS	Spent	MUNIS	Committed	MUNIS	Remaining	MUNIS	Round 2	MUNIS	Spent	MUNIS	Committed	MUNIS	Remaining	MUNIS	Total Remaining	MUNIS	
1. Community Health Response	\$200,000	\$200,000	\$40,094	\$128,015	\$0	\$0	\$159,906	\$71,985	\$90,500	\$89,000	\$272,629	\$245,917	\$30,000	\$0	-\$212,129	-\$156,917		-\$52,224	-\$84,931
COVID-19 Community Testing/Vaccination Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$32,025	\$0	\$0	\$0	\$0	\$0			
COVID-19 Community Testing/Vaccination Site	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$900	\$0	\$0	\$0	\$0	\$0			
Citywide PPE Distribution	\$60,000	\$0	\$28,980	\$0	\$0	\$0	\$0	\$0	\$1,500	\$0	\$67,649	\$25,000	\$0	\$0	\$0	\$0			
Electronic Sign Messaging	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000	\$0	\$26,175	\$0	\$0	\$0	\$0	\$0			
VDH COVID-19 Marketing Campaign	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$14,556	\$0	\$0	\$0	\$0	\$0			
Sherriff's Office Prisoner Van	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,913	\$0	\$0	\$0	\$0	\$0			
Community/Private Company testing	\$128,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,581	\$5,000	\$0	\$0	\$0	\$0			
Other Health Response Expenses	\$0	\$0	\$11,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,831	\$0	\$0	\$0	\$0	\$0			
2. Employee Safety	\$70,000	\$70,000	\$198,071	\$27,158	\$0	\$0	-\$128,071	\$42,842	\$150,000	\$150,000	\$142,850	\$222,947	\$21,800	\$0	-\$14,650	-\$72,947		-\$142,721	-\$30,105
Employee PPE/Cleaning	\$65,000	\$0	\$142,650	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0			
Cleaning Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$9,890	\$0	\$0	\$0	\$0	\$0			
Additional Building Cleaning	\$5,000	\$0	\$2,905	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$415	\$0	\$0	\$0	\$0	\$0			
District -19 COVID-19 Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,800	\$0	\$0	\$0	\$0			
Support of Employee Telework	\$0	\$0	\$27,158	\$0	\$0	\$0	\$0	\$0	\$120,000	\$0	\$109,235	\$0	\$0	\$0	\$0	\$0			
Other Employee Safety Expenses	\$0	\$0	\$25,359	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,310	\$0	\$0	\$0	\$0	\$0			
3. Safe Environment	\$260,568	\$206,772	\$142,409	\$131,783	\$0	\$0	\$118,159	\$74,989	\$524,825	\$524,825	\$441,266	\$700,780	\$52,698	\$0	\$30,861	-\$175,855		\$149,020	-\$100,965
Improvements to Hopewell High School to be used for a public shelter in the case of a hurricane, tornado, etc. to include portable emergency generator.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$317,000	\$0	\$328,415	\$0	\$0	\$0	\$0	\$0			
Storage for COVID Response Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0			
EOC Expansion to Accommodate Social	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,000	\$0	\$72,402	\$22,698	\$0	\$0	\$0	\$0			
Building Access Upgrades to Accommodate	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,825	\$0	\$18,472	\$0	\$0	\$0	\$0	\$0			
Additional Sneez Guards, Social Distancing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Improvements, etc. to City Facilities	\$100,000	\$0	\$59,226	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,260	\$0	\$0	\$0	\$0	\$0			
Temp Scanners	\$60,568	\$0	\$84,183	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66	\$0	\$0	\$0	\$0	\$0			
Other Safe Environment Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,652	\$0	\$0	\$0	\$0	\$0			
4. Individual Financial Relief Programs	\$715,000	\$715,000	\$56,047	\$0	\$661,229	\$0	-\$2,276	\$715,000	\$243,793	\$245,293	\$0	\$728,181	\$243,793	\$0	\$0	-\$482,888		-\$2,276	\$237,112
Rent/Mortgage Relief Programs	\$130,000	\$0	\$6,047	\$0	\$123,953	\$0	\$0	\$0	\$179,543	\$0	\$0	\$179,543	\$0	\$0	\$0	\$0			
Utility Assistance Program	\$85,000	\$0	\$0	\$0	\$85,000	\$0	\$0	\$0	\$56,250	\$0	\$0	\$56,250	\$0	\$0	\$0	\$0			
Food Programs	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Non-congregate Housing for the Homeless	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$8,000	\$0	\$0	\$8,000	\$0	\$0	\$0	\$0			
Downtown Wi-Fi for Citizens	\$400,000	\$0	\$0	\$0	\$402,276	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			



CITY OF HOPEWELL CORONAVIRUS FUND BUDGET UPDATE

Spending Category	Round 1	MUNIS	Spent	MUNIS	Committed	MUNIS	Remaining	MUNIS	Round 2	MUNIS	Spent	MUNIS	Committed	MUNIS	Remaining	MUNIS	Total Remaining	MUNIS
5. Business Financial Relief Programs	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$500,000	\$660,000	\$975,892	\$230,800	\$0	-\$390,800	-\$475,892	\$109,200	\$24,108
Small business grant program to support small businesses impacted by COVID-19	\$500,000		\$0		\$0				\$423,000		\$660,000		\$70,000					
Richmond Magazine Ad - Support Local Small Business	\$0		\$0		\$0				\$2,000		\$0		\$2,000					
Magazine Ad - Support Local Small Businesses	\$0		\$0		\$0				\$0		\$0		\$5,800					
PART Business Marketing - 2 TV Ads for Support of Business Marketing Program	\$0		\$0		\$0				\$25,000		\$0		\$28,000					
	\$0		\$0		\$0				\$50,000		\$0		\$125,000					
6. Federally Mandated Sick/Quarantine Time	\$80,000	\$80,000	\$55,960	\$17,691	\$0	\$0	\$24,040	\$62,309	\$15,000	\$15,000	\$0	\$53,780	\$10,000	\$0	\$5,000	-\$38,780	\$29,040	\$23,529
Federally mandated time given for employees requiring quarantine or need sick time due to COVID-19	\$80,000		\$55,960		\$0				\$15,000		\$0		\$10,000					
7. Employee Hours Dedicated to COVID Res	\$140,000	\$139,999	\$120,803	\$32,804	\$0	\$0	\$19,197	\$107,195	\$30,000	\$30,000	\$136,000	\$615,239	\$10,000	-\$116,000	-\$385,239	-\$96,803	-\$278,044	
COVID-19 dedicated time for PPE distribution, community testing, logistics, planning, etc.	\$140,000		\$120,803		\$0				\$30,000		\$0		\$10,000					
Hazard Duty Pay for 1st Responders	\$0		\$0		\$0				\$0		\$136,000		\$0					
8. Education/Childcare	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$215,540	\$215,540	\$208,362	\$250,951	\$5,500	\$0	\$1,678	-\$35,411	\$1,678	-\$35,411
Outdoor Classrooms at Schools	\$0		\$0		\$0				\$156,516		\$156,516		\$0					
Learning in the Park Program	\$0		\$0		\$0				\$10,000		\$10,521		\$0					
Rec & Parks Childcare Program	\$0		\$0		\$0				\$47,000		\$41,325		\$0					
Firefighter Training Software	\$0		\$0		\$0				\$0		\$0		\$5,500					
Wi-Fi In Public Spaces to Support Online	\$0		\$0		\$0				\$2,024		\$0		\$0					
9. Contingency	\$0	\$53,797	\$0	\$0	\$0	\$0	\$0	\$53,797	\$195,910	\$195,910	\$50,000	\$0	\$0	\$0	\$145,910	\$195,910	\$145,910	\$249,707
City of Refuge	\$0		\$0		\$0				\$0		\$50,000		\$0					
Grand Total:	\$1,965,568	\$1,965,568	\$613,385	\$337,450	\$661,229	\$0	\$690,954	\$1,628,118	\$1,965,568	\$1,965,568	\$1,911,108	\$3,593,686	\$604,591	\$0	-\$550,131	-\$1,628,118	\$140,823	\$0

MUNIS = General Ledger

Donations Excluded from Report/Federal Funds Only

CONSENT AGENDA

INFORMATION FOR COUNCIL REVIEW

CITY OF HOPEWELL, VA
BOARD OF ZONING APPEALS
MEETING MINUTES
WEDNESDAY, OCTOBER 20, 2021

A meeting of the Board of Zoning Appeals for the City of Hopewell was held on Wednesday, October 20, 2021 at 6:00 p.m. in City Council Chambers/City Council Board Room located at 300 North Main Street, Hopewell, Virginia.

Board of Zoning Appeals Members present:

Patricia Dostie, Chair
Ashley Epps, Vice-Chair
Cassandra Vanderkeift

Staff Members present:

Tevya W. Griffin, Director of Development
Kimberly D. Kinker, Executive Assistant

Chairman Dostie called the meeting to order at 6:20 p.m. Mrs. Griffin conducted the roll call. There is a quorum present.

ADMINISTRATIVE MATTERS

Vice-Chairman Epps made a motion to accept September 15, 2021 minutes. Commissioner Vanderkeift seconded the motion. Motion passed 3-0.

No comments from citizens.

PUBLIC HEARINGS

Opened at 6:24 p.m.

1. The City of Hopewell has received a request submitted by Cheers VA/Margaret A. Harris for a Special Exception to operate a club or lodge in the Highway Commercial (B-3) Zoning District at 2510 Oaklawn Boulevard, also identified as Sub-Parcel # 081-0645.

There were six people there to speak in support of Cheers VA and how they have been helped by the organization. They were as follows: Margaret Harris, Mario Camiolo, Nicole Ajum, Brandi Matthews, Ashley Morgan and Nick Owens. Ms. Harris, the applicant, stated she wants to help the community with food drives, Toys for Tots and Thanksgiving needs. This would give them a home base for all those projects.

An overview of the application was provided by Mrs. Griffin. The applicant has requested a Special Exception to operate a private club or lodge in the B-3 District. As defined in Article I, #70 - Club, Private, the definition is those associations and organizations of a fraternal or social character not operated or maintained for profit, but the terms shall not include night clubs or other institutions operated as a business. A private lodge is defined as an association and organization of a fraternal or social character not operated or maintained for profit, but the terms shall not include night clubs or other institutions operated as businesses.

The previous business, VA Cheers, was a restaurant that has operated since November 2020 to May 2021. A restaurant is an allowable use in the B-3 zoning district. There are two distinct spaces in the building. Mrs. Griffin stated that she was uncertain of the hours for the private club and questioned if they would have the same hours of operation. Mrs. Griffin informed the Board that renovation was completed in the building that separated spaces that could accommodate a restaurant and club. She believed there was an upstairs that would accommodate the club. The restaurant does not have liquor license. The beer and wine license is in place but under review by the VA Alcoholic Beverage Control Authority. BC. Nick Owens stated that VA Cheers has been closed and would not be reopening.

Mrs. Griffin stated that Cheers VA is considered inactive by the State Corporation Commission since July 2021 either because the annual registration fee is past due or dues/penalties are unpaid.

Operating a private club/lodge will allow the applicant to provide members with gaming machines governed by the Virginia Department of Agriculture and Consumer Services. This is similar to services provided by the Moose Lodge, the Optimist Club, and the American Legion, etc.

The approval of a Special Exception is recommended for a private club/lodge so that the Board can determine if certain conditions should be required, like hours of operation. Since a restaurant currently operates at 2510 Oaklawn Boulevard, Staff recommends the Board determine when the club/lodge will operate and what activity will take place at the club/lodge. The Board should also consider effects on traffic and parking.

Article XIX allows the Board of Zoning Appeals (BZA) to impose conditions relating to the use, as it may deem necessary, to the public interest. The Board of Zoning Appeals may also require a guarantee or bond to ensure that the conditions imposed are being met, and will continue to be complied with in the future. Mrs. Griffin explained the calls to service for police and fire to the address during the current year since the restaurant opened.

The current owner purchased the building on August 13, 2019. There have been numerous Calls for Service, and Fire/EMS calls since the purchase by the current

Year of Service	Calls to Service (Police)	Fire Calls
8/2019	5	1
2020	21	6
2021	40	2

Staff recommends denial of the application for the Special Exception for a private club/lodge at 2510 Oaklawn Boulevard because of the strain on City services already caused by the restaurant.

Mrs. Griffin informed the Board of Zoning Appeals that the Board needed to hear the citizen's comments and that there were people in the audience who may want to speak. Margaret Harris the applicant spoke first.

Mrs. Harris stated that she wants to run a nonprofit business from that location. Nick Owens stated he had requested a list of all the calls for service from police dispatch. He had a list that showed out of all the calls only 25 had reports taken.

Mrs. Griffin read letter of John Miller into minutes:

From: John Miller jem3352@ms.com
Sent: Wednesday, October 19, 2021 1:10:30 PM
To: Dev Dept.
Subject: Re:2510 Oaklawn Blvd special exception request

I sold like to resubmit my comments reference the 2510 Oaklawn Blvd special exception request. I necessary I can type a new email and send it to you.

Good afternoon,

My name is John Miller and I am a Deacon with West Hopewell Presbyterian Church, 2602 Wise St. Hopewell, VA.

I am responding to your letter dated September 7, 2021.

Our Elders and deacons have concerns about this request for the following reasons:

1. The location does not have adequate parking for no more than 20 vehicles on site.
2. Recent experience with other activities at this site where there has been unauthorized parking on our lot.
3. Trashing of our parking lot.
4. Vandalism of church vehicles following these events. (Agreed this may or may not have been related to an event)
5. Advised by Officer Jones of the Hopewell Police to post no trespassing and no parking signs on our property to help control the unauthorized parking.
6. The possibility that events would interfere with our members attending services and their safety.
7. The list could continue but this type of business is not needed in this neighborhood or in Hopewell. Thank you for your consideration of denying the request.

Sincerely,
John Miller, Deacon at West Hopewell Presbyterian Church

Mrs. Griffin read letter from Major Ben Owen into the minutes:

From: BEN MJR Owen, <g66oat@msn.com>
Sent: Wednesday October 6, 2021 12:31 PM
To: Dev Dept.
Subject: Hopewell BZA - Special Exception Request regarding 2510 Oaklawn Blvd

I am responding in regard to the Special Exception request to operate a club or lodge at 2510 Oaklawn Blvd, Sub-Parcel # 081-0645.

As an adjacent property owner, I strenuously object to the consideration of a Special Exception for this operation of a Private Club in the mentioned location. I have specific experience to support my objection: My tenant who occupies a house across the street from the proposed location is now moving out due to the activities of the businesses at 2510 Oaklawn Blvd. I have allowed her out of the lease because she has found out that there may be another Private Club at that location. As a result, I have been negatively affected financially because of this type of business. If another operation of a Private Club is allowed to be operated at that location, I will probably not be able to get another tenant in my property. And I speculate that the other vacant properties will face the same issue.

When the previous Private Club was allowed to be operated, there were continual disturbances from that location, the gun shots, repeated Police being called, the loud noise and men urinating in the parking lot. There apparently have been no actions to maintain order among the patrons; the patrons did not exhibit any self-discipline, and, therefore, there was a total lack of respect for the neighborhood. In addition, the parking was another issue because patrons parked in the other businesses' parking lots and on both sides of the street. As a result, some of the businesses have taken the step of blocking their parking lots to prevent unpermitted use. In general, this type of operation has been a public nuisance.

This is not the type of business that is welcome nor conducive for productive development in Hopewell. I respectfully ask that this request for Special Exception be denied.

O. W. Properties, LLC

The public hearing closed at 6:35 p.m.

Chairman Dostie asked if the applicant had anything else to say. Nick Owens clarified that Cheers VA is a new business and all the calls for service were for VA Cheers. He showed the Board the print out. Mrs. Griffin informed the Board that they had the option to table the matter if they wanted more information.

A motion was made by Board member Vanderkeift to table this request submitted by Margaret A. Harris, for a Special Exception to operate a club or lodge in the Highway Commercial (B-3) Zoning District at 2510 Oaklawn Boulevard, and have staff report back at the November 17, 2021 meeting with the following:

1. Is there enough dedicated parking
2. What is Cheers, VA LLC non-profit status
3. Provide a copy of the police reports.

The motion was approved 3-0.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

REPORTS

Nothing to report.

ADJOURN

Commissioner Vanderkeift made a motion to adjourn the meeting at 7:30 p.m. Vice-Chairman Epps seconded the motion. The motion passed 3-0.

Submitted by,



Patricia Dostie Chairman



Tevya W. Griffin, AICP
Director of Development

**MINUTES OF THE DECEMBER 16, 2021 MEETING
OF THE ARCHITECTURAL REVIEW BOARD
City of Hopewell**

A meeting of the Architectural Review Board for the City of Hopewell was held on Thursday, December 16, 2021 at 6:00PM. The meeting was held in the HMA Room of the Appomattox Regional Library located at 209 E. Cawson Street, Hopewell, Virginia.

Architectural Review Board Members present:

Rita E. Joyner, Chairman
Joseph Bailey, Vice Chairman
Stephanie Dayberry

Absent:

Mary Calos - excused

Staff:

Chris Ward, Senior Planner

Guest(s):

Patricia Lamb
Caroline Shumar – via phone, COA Applicant

The meeting was called to order at 6:00 p.m. by Ms. Joyner. Mr. Ward conducted the roll call. A quorum was established. Ms. Joyner welcomed the ARB members and guests.

ADMINISTRATIVE MATTERS / CONSENT ITEMS

Ms. Joyner asked if there were any requested changes to the agenda. There were none. Ms. Joyner asked if there were any corrections to the minutes. There were none. Mr. Bailey made a motion to approve the ARB meeting minutes from October 21, 2021. Ms. Dayberry seconded. The motion carried 3-0.

CITIZEN COMMENTS

None

CERTIFICATES OF APPROPRIATENESS (COAs)

Ms. Shumar introduced her COA application to construct an addition at 1000 Pecan Avenue. She stated that the addition will include moving an existing wall approximately one foot away from the property since the whole house sits right at the property line. She continued that the addition is necessary to create a bedroom for her children. Mr. Ward asked what the color would be. Ms. Shumar responded that she may change her mind and submit a new COA but the color right now is to be white. Mr. Bailey asked for more information about the salvaging of the asbestos siding. Ms. Shumar replied that the moving of the one wall will expose approximately one foot of the rear wall and they will salvage some of the asbestos siding to cover that portion. She continued that the new addition will have board and batten hardwood siding. Mr. Bailey asked if the original siding was underneath the asbestos siding. Ms. Shumar responded that she was unsure although the electrician who did some work on the property suspected that some of the original siding was in place. Mr. Bailey made a motion to approve the new addition as presented. Ms. Dayberry seconded. The motion carried 3-0.

OLD BUSINESS

Mr. Ward reminded the members that the City’s pursuit of Certified Local Government status came to a halt with the Covid-19 pandemic. He continued that the departure of the City Attorney has also delayed the process since all ordinance changes must be pre-approved by the City Attorney. Mr. Ward stated that he will proceed with submitting the proposed ordinance change to the interim attorney for review by City Council soon thereafter. He stated that this should be the last step before obtaining CLG status.

Mr. Ward stated that the pandemic also halted the planned neighborhood meetings that were to take place about nominating A Village for the state and national historic registers. He stated that he will now start planning neighborhood meetings after the first of the year. Ms. Joyner and Mr. Ward reiterated that the intent is to nominate the neighborhood for inclusion on the state and national historic registers and not the establishment of a local district with an oversight board. Mr. Bailey commented that he remembered when an apartment building in the neighborhood caught fire and the owners were unable to utilize tax credits for the repair because the building was not located within an historic district.

Ms. Dayberry stated that she thought the property located at the end of Prince Henry (449 Prince Henry) was being painted a different color and did not recall ever reviewing a COA for the color change. Mr. Ward said he would investigate.

Mr. Bailey asked about 505 Prince Henry and whether COAs would be submitted. Ms. Joyner replied that the proposed improvements to the building did not include changing anything, therefore not requiring a COA. Ms. Lamb stated that the roof work was underway but was unsure if the material was changing. Mr. Ward stated that he would investigate that, too.

Ms. Dayberry commented that the house next to her has been cleaned of the green algae on the siding after receiving notice from the building inspector.

Mr. Ward commented that 1010 Pelham was in arrears again and that the Treasurer was pursuing the property through the court. He also updated the members on the recent activities at 601 Prince Henry including the installation of the project sign, the archaeological dig, the receipt of the Cameron Foundation grant for the highest and best use study, and the recent submission for a new grant to develop a restoration plan.

NEW BUSINESS

None

REPORTS FROM BOARD MEMBERS & STAFF

None

Mr. Bailey made a motion to adjourn. Ms. Dayberry seconded. The motion carried 3-0. The meeting adjourned at 6:49 PM.

Submitted by,


Rita Joyner, Chairperson



Christopher Ward, Senior Planner

DATE: February 17, 2022

**MINUTES OF THE JANUARY 5, 2022 MEETING
OF THE DOWNTOWN DESIGN REVIEW COMMITTEE
City of Hopewell**

A meeting of the Downtown Design Review Committee for the City of Hopewell was held on Wednesday, January 5, 2022 in the City Council Conference Room located at 300 N. Main St. at 3:30pm.

Downtown Design Review Committee Members present:

Rita Joyner
Mary French Elder
Daniel Jones (via phone)
Drew Dayberry

Absent:

Terry Ammons

Staff:

Chris Ward, Senior Planner

Guests:

Heather Lyne – Director, Hopewell Downtown Partnership

Ms. Joyner called the meeting to order at 3:51PM. Mr. Ward conducted the roll call. A quorum was established. Ms. Joyner welcomed the members, Drew Dayberry as a new member, and guest.

ADMINISTRATIVE MATTERS / CONSENT AGENDA ITEMS

Ms. Joyner asked if there were requests for withdrawal, deferral or amendment to the agenda. There were none.

Ms. Joyner asked if there were any corrections or changes to the meeting minutes from December 1, 2021. There were none. Ms. Joyner asked if there was a motion to approve the meeting minutes. Ms. Elder made a motion to approve the meeting minutes from December 1, 2021. Mr. Jones seconded. The motion carried 4-0.

CITIZEN COMMENTS

Ms. Joyner asked if the guest had any comments about items not on the agenda. There were none.

CERTIFICATES OF APPROPRIATENESS (COAs)

There were no COA applications.

UNFINISHED BUSINESS

Mr. Ward did not have any updates on downtown development, property violations, or other matters. Ms. Lyne commented that the property owner of 208 E. Cawson has been notified about a piece of the trim falling off the building. She also asked if there was as solution to the toter issue

where some downtown business owners still store the toters in front of the business. Mr. Ward responded that he would check with the Zoning Inspector about storage of the toters for businesses.

Ms. Joyner asked if it was possible to place a shipping container across the street from the Dollar General and have the racks stored there instead of on the sidewalk. Mr. Ward replied that the Director has been in contact with a corporate representative about the racks but was unaware of any resolution to the problem. He continued that he would look into Ms. Joyner's suggestion as a possible solution.

Ms. Joyner asked if there was something that could be done about the condition of 221 E. Broadway. Mr. Ward replied that he could have an inspector go by and if the condition violates the Virginia Maintenance Code, they could be cited.

NEW BUSINESS

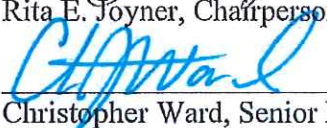
Mr. Ward informed the members that he and Ms. Lyne attended a webinar for the Industrial Revitalization Fund that has been funded through ARPA funds. He stated that his original thought of applying for funds related to the Chesterfield Hotel but that other buildings in the city may also be good candidtes. Mr. Ward also noted that the City Manager had a building in mind for this program.

Ms. Elder made a motion to adjourn. Mr. Dayberry seconded. The motion carried 4-0. The meeting adjourned at 4:35PM.

Submitted by,



Rita E. Joyner, Chairperson



Christopher Ward, Senior Planner

3/2/22
Date

FINANCIAL REPORT

**City of Hopewell, VA
Finance Department**

Financial Report

<u>Topic</u>	<u>Section</u>
Financial and Compliance Reporting	1
• 12.01.2017 to 02.02.2022	
• 02.01.2022 to 12.15.2023	
○ Annual Activities and Requirements	
○ Staff Resources and/or Technical Assistance	
Progress Report 07.01.2022 to 02.28.2022:	2
External Reporting	2.1
• ACFR	
• APA	
• Single Audit	
Operations and Assignments	2.2
Budget	2.3
• FY 2022-2023	
Internal Reporting	2.4
• City Manager's Report on Transfers	

Section 1

**CoH Va - Financial and Compliance Reporting
For the Period
12.01.2017 to 02.02.2022**

Fiscal Year	ACFR	APA Transmittal	City-Schools APA AUP	Sheriff Report APA AUP	City-Schools Single Audit
2015	NA	NA	NA	NA	Complete 07.31.19
2016	Complete 10.24.18	Complete 10.24.18	Complete 10.24.18	Complete 10.24.18	Complete 01.12.21
2017	Complete 06.10.19	Complete 06.10.19	Complete 06.10.19	Complete 06.10.19	Complete 07.28.21
2018	Complete 10.22.21	Complete 10.22.21	Complete 10.22.21	Complete 10.22.21	Complete 02.02.22

**City and Schools
External Reporting and Compliance
Implementation Plan**

Fiscal Year					Calendar Year
2019	Feb	Mar	April	May**	2022
	Cash Reconciliation				
	Closing, Reporting, Audit Work Flow				
2020	June	July	Aug	Sept**	2022
	Cash Reconciliation				
	Closing, Reporting, Audit Work Flow				
2021	Oct	Nov	Dec	Jan**	2022/2023
	Cash Reconciliation				
	Closing, Reporting, Audit Work Flow				
2022	Feb	Mar	April	May**	2023
	Cash Reconciliation				
	Closing, Reporting, Audit Work Flow				
2023	June	July	Aug	Sept**	2023
	Cash Reconciliation				
	Closing, Reporting, Audit Work Flow				

**ACF Report, APA Report, Single Audit Report

**City and Schools
Closing, Reporting and Audit Workflow - Process
(CRAW)**

Annual Comprehensive Financial Report (ACFR)

Cash reconciliations

Beginning general ledger balance reconciliation

Year end closing process

Fund Balance classifications

Pension (GASB 68)

Other postemployment benefits (GASB 45)

Government Wide Reconciliations

Financial Statement Preparation

Auditor of Public Accounts (APA) Report

Single Audit Report

Section 2

Section 2.1

City of Hopewell, Virginia							
Closing, Reporting and Audit Workflow (CRAW)							
				Date	Date	% Completion	
				Start	Due	Status	Comment(s)
Project Planning - Addendum							
Fiscal Year Ended June 30, 2019				02.01.22	05.31.22	28%	Overall estimated % of completion as of 02.28.22
Phase:							
Annual Comprehensive Financial Report (ACFR)							
Cash reconciliations							
						30%	
Beginning general ledger balance reconciliation							
						75%	Task work in process 02.28.22
Year end closing process							
						49%	Task work in process 02.28.22
Fund Balance classifications							
						0%	
Pension (GASB 68)							
						40%	Task work in process 02.28.22
Other postemployment benefits (GASB 45)							
						40%	Task work in process 02.28.22
Government Wide Reconciliations							
						0%	
Financial Statement Preparation							
						15%	Task work in process 02.28.22
Auditor of Public Accounts (APA) Report							
						0%	
Single Audit Report							
						0%	

Section 2.2

City of Hopewell, VA					
July 01, 2021 to February 31, 2022					
Operations and Assignments					
		Date Start	Date Due	% Completion Status	
				Comment(s)	
Account Payables - February 2022:		02.01.22	02.28.22	100%	Task completed
	Number \$ Amount				
Process Invoices	1698 \$4,519,058				
Created Purchase Orders by Account Payables	35 \$504,604				
Printed Checks/Wires/EFT	707 \$4,194,058				
Payroll - February 2022:		02.01.22	02.28.22	100%	Task completed
Payroll Date	Gross Pay	Number of Employess			
02.10.2022	\$919,372	434			
02.24.2022	\$892,288	432			
Note: City's Payroll Reporting (Federal & State) is Current.					
Accounting - February 2022:					
Coordinated with Departments and Information Technology the Closing of Munis Open FY2020 to Allow City Departments to Input their FY2023 Operating Budgets Into Munis					
Real Estate Assesor - February 2022:		02.01.22	02.28.22	100%	Task completed
Recruited and On Board Two New Staff Members Filling the Vacancies Due to Retirement and Resignation					
Financial Reporting and Budget - February 2022		02.01.22	02.28.22	100%	Task completed
Assisted Departments with Budget Inquiry and Support Pertaining to their Preliminary Submission.					
Note: Quarterly Report Submission for Victim Witness is Current					
Notification & Requests for Reporting:					
State Compensation Board Reimbursement -- SCB (July 2021 - February 2022)		07.01.21	06.30.22	100%	Task completed
Assignment(s):					
Munis Post Implementation Improvements, General Billing Training, Automated Cash Reconciliation, State and Estimated Income Munis Recordation, Tyler Open Finance Implementation and Deployment:		12.10.21	6.30.22	30%	Task work in process 02.28.22
Finance Director in conjunction with the City's ERP Administrator (Munis Project Manager) working with Finance Staff, Treasurer & Staff and Hopewell Water Renewal Staff to improve/correct or establish a platform for postive outcomes of accountability and performance					

Section 2.3

City of Hopewell, VA				
July 01, 2021 to February 28, 2022				
Budget Development				
FY 2022 - 2023				
	Date Start	Date Due	% Completion Status	Comment(s)
Perform Assessment & Planning Requirements for FY 2022 - 2023 Budget Development:				
Annual Operating (See attached City Manager's 11.30.21 email)	11.30.21	12.31.21	100%	Task completed 12.31.21
Capital Project	01.10.22	02.04.22	100%	Task completed 02.28.22
Capital Improvement Plan (CIP)	01.10.22	02.04.22	100%	Task completed 02.28.22
Draft Proposed City Budget Calendar for FY 2022 - 2023				
City Manager				
City Attorney				
City Administration & Staff				
School Administration & Staff				
City Council				
School Board				
Communicate Draft to Stake Holders:	01.31.22	02.21.22	100%	Task completed 02.28.22
Finalize City Budget Calendar for FY 2022 - 2023	02.22.22	02.28.22	100%	Task completed 02.28.22
Implement City Budget Calendar for FY 2022 - 2023	03.02.22	05.27.22		
Prepare the approved FY23 City Budget for loading to the City's accounting administrative system (MUNIS)	06.15.22	06.17.22		
Review & verify the loaded approved FY23 City Budget to the City's accounting administrative system (MUNIS)	06.21.22	06.24.22		
Confirm & verify City departments having access to their loaded approved FY23 City Budget to the City's accounting administrative system (MUNIS)	06.24.22	06.29.22		
Finance Department preparing DRAFT FY 2022-2023 Financial Plan (i.e. City budgetary document)	07.15.22	09.30.22		

Section 2.4

UNFINISHED BUSINESS



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Sheriff's Office Salary Increases – Budget Amendment

ISSUE: FY 22 Budget Amendment for the Mid-Year Salary Increases for Sheriff's Office

RECOMMENDATION: Staff recommends approval of the FY22 Budget Amendment totaling \$178,730.08.

TIMING: Action is requested at the February 22, 2022 meeting.

BACKGROUND: At the December 14, 2021 City Council meeting, Sheriff Stephen Kephart presented a proposal to provide full-time and part-time Sheriff's Office employees with a mid-year salary increase. City Council approved the request, except for the inclusion of the part-time dispatchers in the Sheriff's Office to be consistent with the exclusion of dispatchers in the Police Department from the mid-year salary increases approved by City Council for the Police Department. City Council approved the use of Unassigned Fund Balance for the increases. The increases will be retro-active to January 1, 2022 per City Council's motion.

City Council deferred action on the budget amendment at the February 22, 2022 meeting to the March 8, 2022 meeting to receive the salary comparison information requested of Sheriff Kephart at the December 14, 2022 meeting.

ENCLOSED DOCUMENTS:

- FY 22 Budget Amendment Resolution
- Memo from Sheriff Kephart

SUMMARY:

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Debbie Randolph, Ward #1	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Vice-Mayor John B. Partin, Ward #3	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Patience Bennett, Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Jasmine Gore, Ward #4			

STAFF:

John M. Altman, Jr., City Manager
Michael Terry, Director of Finance

FOR IN MEETING USE ONLY

MOTION: _____

Roll Call

SUMMARY:

Y N
 Councilor Debbie Randolph, Ward #1
 Councilor Arlene Holloway, Ward #2
 Vice-Mayor John B. Partin, Ward #3
 Councilor Jasmine Gore, Ward #4

Y N
 Councilor Janice Denton, Ward #5
 Councilor Brenda Pelham, Ward #6
 Mayor Patience Bennett, Ward #7

**A RESOLUTION
AMENDING THE FISCAL YEAR 2021-2022 OPERATING BUDGET
FOR PUBLIC SAFETY SALARY INCREASES**

WHEREAS, on June 8, 2021, the City Council of the City of Hopewell adopted the Budget Resolution adopting the City of Hopewell Fiscal Year 2022 budget in the amount of \$183,793,655; and

WHEREAS, Section 15.2-2507 of the Code of Virginia provides that any locality may amend its budget and must first hold a public hearing which is advertised once in a newspaper of general circulation if any such amendment exceeds one (1) percent of the total expenditures of the currently adopted budget; and

WHEREAS, the amendment of the budget in this resolution in the amount of \$178,730.08 (0.097%) does not exceed one (1) percent of the adopted budget and therefore a public hearing was not required; and

WHEREAS, the source of funding for the \$178,730.08 budget amendment is the Unassigned Fund Balance; and

WHEREAS, the funding included in this amendment is to increase the salaries in the Sheriff's Office for the full-time and part-time employees, excluding the Sheriff, the Chief Deputy and dispatchers;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hopewell hereby approves and adopts the Fiscal Year 2022 budget amendment and appropriates all funds as set forth in the amendment below:

GENERAL FUND – FUND 011	Approved Budget	Changes	Amended Budget
Revenues			
Unassigned Fund Balance transfer to General Fund – 011	\$ 55,105,610.47	\$178,730.08	\$55,284,340.55
Total	\$ 55,105,610.47	\$178,730.08	\$55,284,340.55
Appropriations			
Sheriff – Courthouse Full-Time Salary	\$ 518,051.77	\$38,268.82	\$556,320.59
Sheriff – Courthouse Part-Time Wages	\$100,161.00	\$80,243.28	\$180,304.28
Sheriff – Sheriff 295 Full-Time Salary	\$83,061.24	\$8,238.26	\$91,299.50
Sheriff – Sheriff 295 Part-Time Wages	\$317,726.00	\$51,979.72	\$369,705.72
Total – General Fund (011)	\$ 55,105,610.47	\$178,730.08	\$55,284,340.55
Total Budget	\$ 184,542,983.47	\$178,730.08	\$184,721,713.55

ADOPTED BY THE CITY COUNCIL OF THE CITY OF HOPEWELL ON MARCH 8, 2022.

Witness this signature and seal

Patience A. Bennett, Mayor
City of Hopewell

VOTING A YE:
VOTING NAY:
ABSTAINING:
ABSENT:

ATTEST:

Mollie P. Bess, City Clerk
City of Hopewell



Stephen M. Kephart, Jr.

SHERIFF
CITY OF HOPEWELL



December 28, 2021

Madam Mayor and Councilors,

Below is a list of salary comparisons you had asked for on December 16, 2021. All of the jurisdictions supplement the base Compboard salary with Petersburg being the only exception. The listed salaries are a starting point with adjustments being given for experience.

*State wide average for Deputy Sheriff is \$47,867.00

Prince George County	\$43,000.00	
Chesterfield County	\$42,926.00	1 year amount \$45,500.00
Surry County	\$44,300.00	
Richmond City	\$44,000.00	1 year amount \$46,006.00
Colonial Heights City	\$40,600.00	
Petersburg City	\$35,149.00	
Riverside Regional Jail	\$40,000.00	

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen M. Kephart, Jr.".

Sheriff Stephen M. Kephart, Jr.
City of Hopewell



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Sheriff's Office – Pay Proposal

ISSUE: Merit Pay Proposal for Sheriff's Office

RECOMMENDATION: n/a

TIMING: n/a

BACKGROUND: See Memo from Sheriff Kephart

ENCLOSED DOCUMENTS:

- Memo from Sheriff Kephart

STAFF:

John M. Altman, Jr., City Manager
 Stephen M. Kephart, Jr., Sheriff

FOR IN MEETING USE ONLY

MOTION: _____

SUMMARY:

- | | | | | | |
|--------------------------|--------------------------|------------------------------------|--------------------------|--------------------------|----------------------------------|
| Y | N | | Y | N | |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Debbie Randolph, Ward #1 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice-Mayor John B. Partin, Ward #3 | <input type="checkbox"/> | <input type="checkbox"/> | Mayor Patience Bennett, Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Jasmine Gore, Ward #4 | | | |



Stephen M. Kephart, Jr.
SHERIFF
CITY OF HOPEWELL



FROM: Sheriff Steve Kephart
TO: March Altman
SUBJECT: Yearly Merit Pay Proposal

As you may be aware the Sheriff's Office shares most of the same retention issues as the Police and Fire, although maybe not quite as apparent because of the smaller size of our Office. We currently loose tenured good employees to jurisdictions around us due primarily to issues regarding pay. The recent move by Council to raise police pay has even moved some of my Deputies to apply with the Police Department. While this may be seen as not a totally bad thing, it still causes issues in the Sheriff's Office.

Currently the Sheriff's Office has three full time positions open and six part-time positions open. These positions remain open primarily due to the low pay offered. The Sheriff's Office currently has three positions with over 15 years' experience (one of those is mine) this makes for a very young Office. In a profession where split second decisions are made with long lasting consequences, you can see where recidivism can be an issue. As you know, the Sheriff's Office has been very active in the community. It takes so much time to get an Officer acclimated to our community, then loose them over pay issues.

As stated earlier, a Deputy's job is inherently dangerous by nature. The argument has been put forward over the 34 years of my career that police jobs are more dangerous than Sheriff's jobs. We will just leave that argument for another day, but I will concede the main difference between the two Offices is the Sheriff's Office typically does not work evenings, weekends or Holidays. That fact alone possibly entitles Police Officers a higher rate of pay than Deputies, but not to the extent it currently is.

For the above stated reasons and a few others, I am suggesting a slightly different pay plan. Initially the Command staff and any person serving more than 10 years with the City of Hopewell would receive a 15% increase to their base salary. Part-time Deputies would be based on their FTE and paid by the hour. Dispatchers would be compensated at the same FTE as Police Dispatchers. The Sheriff's Administrative Assistant would be moved to an Executive Admin position with credit for years of service.

INCREASES

- This plan would place the grade between 24-25 the starting Deputy pay would rise to \$45,310.00, which is more in line with the surrounding jurisdictions and approximately \$4,000.00 below the starting pay for Police and Fire.

- The Sheriff and Chief Deputy would not see initial increases under this plan, but would be entitled to the yearly merit increases.
- The initial cost to adjust all Full-time positions would be \$162,007.00
- The first year merit increases would amount to \$14,187.00 at 2.5%
- If all Part-time staff worked the full FTE it would generate a cost of approximately\$ 30,000.00 over the course of a year.

Full-Time Deputy

2.5355% increase per step

1	45,310.00	
2	46,458.84	1,148.84
3	47,736.80	1,177.96
4	48,947.17	1,210.37
5	50,188.23	1,241.06
6	51,460.75	1,272.52
7	52,765.54	1,304.79
8	54,103.41	1,337.87
9	55,475.20	1,371.79
10	56,881.77	1,406.57
11	58,324.00	1,442.24
12	59,802.81	1,478.88
13	61,319.11	1,516.30
14	62,873.86	1,554.75
15	64,468.03	1,594.16
16	66,102.62	1,634.59
17	67,778.65	1,676.03
18	69,497.17	1,718.53
19	71,259.27	1,762.10
20	73,066.05	1,806.78
21	74,872.83	1,898.40

Part-Time Deputy

2.5355% increase per step

1	21.78	.55
2	22.33	.57
3	22.89	.58
4	23.47	.60
5	24.07	.61
6	24.68	.63
7	25.31	.64
8	25.95	.66
9	26.61	.67
10	27.28	.69
11	27.97	.71
12	28.68	.73
13	29.41	.75
14	30.16	.76
15	30.92	.78
16	31.70	.80
17	32.50	.82
18	33.32	.84
19	34.16	.87
20	35.03	.89
21	35.92	.91

Part-Time Dispatch

2.5355% increase per step

1	17.60	.45
2	18.04	.46
3	18.50	.47
4	18.97	.48
5	19.45	.49
6	19.94	.51
7	20.45	.52
8	20.97	.53
9	21.50	.55
10	22.05	.56
11	22.61	.57
12	23.18	.59
13	23.77	.60
14	24.37	.62
15	24.99	.63
16	25.62	.65
17	26.27	.67
18	26.94	.68
19	27.62	.70
20	28.32	.72
21	29.04	.74

REGULAR
MEETING

R-1



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Good to Great Violence Intervention Program

ISSUE: Hopewell Police Department is requesting support for a grant application to create a program that is designed to be an intensive and educational 8-week curriculum exposing identified youth to basic life skills, alternatives, and preventions that will assist in reducing their exposure to violent firearms related crimes.

RECOMMENDATION: Staff recommends approval of the request to submit a \$350,000 DCJS Community Based Gun Violence Intervention (CBVGI) grant application to develop the program.

TIMING: Action is requested at the March 8, 2022 meeting.

BACKGROUND: The Youth of Hopewell Good to Great Violence Intervention Program focuses on purposeful community, technical, education, and criminal justice partnerships that provide our identified promised youth with solutions that prevent them from leading a life guided through violence. The program also identifies solutions by providing support to our youth who have exposure to firearm and violent acts, with the goal to reduce recidivism. Our designed program has three points of focus to include, prevention, education, and socialization. From January 1, 2019 to December 31, 2021, 145 City of Hopewell Youth were charged with at least 1 felony. 351 youth were charged with at least 1 Class 1 misdemeanor offense. Additionally, 49 youth were charged with at least 1 Class 2-4 misdemeanor offense. Of those arrests, 32 youth were charged with violent or firearms related offenses. During the same period, we had 30 juveniles victimized to gun violence. To further perspective, between January 2019 and December 2021, our agency verified 271 shots fired incidents in our city. From a mental

SUMMARY:

Y N

- Councilor Debbie Randolph, Ward #1
- Councilor Arlene Holloway, Ward #2
- Vice-Mayor John B. Partin, Ward #3
- Councilor Jasmine Gore, Ward #4

Y N

- Councilor Janice Denton, Ward #5
- Councilor Brenda Pelham, Ward #6
- Mayor Patience Bennett, Ward #7

health lens, between 2019 and 2021, we processed 84 juvenile emergency custody and temporary detention orders.

Our youth currently have no other programs outside of schools that provide them with any alternatives, opportunities, or exposure to outside the streets of Hopewell. There are no diversion programs in place where community members invest their own time in helping cultivate character, relationship building, or positive influence pertaining to our youth. Without a proper program and community support, we can expect to see the same results each year, as outlined above.

The primary purpose Virginia Community-Based Gun Violence Intervention (CBGVI) Grant is to support the implementation of strategies that will result in reducing gun violence and gang activity in Virginia communities. CBGVI is a competitive, two-phase grant to Virginia localities and non-profit organizations that demonstrate in their application collaboration with key stakeholders and a commitment to the implementation of promising practices that have been shown to be effective in reducing gun violence. The deadline to submit concept papers is March 11, 2022, and if selected a full grant application is due by April 29, 2022. The maximum award for local governments is \$350,000 with no matching funds required.

ENCLOSED DOCUMENTS:

- Youth of Hopewell Good To Great Violence Intervention Program – Concept Paper
- Virginia Community-Based Gun Violence Intervention (CBGVI) Grant Guidelines

STAFF:

- John M. Altman, Jr., City Manager
- AJ Strake, Chief of Police

FOR IN MEETING USE ONLY

MOTION: _____

Roll Call

SUMMARY:

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Debbie Randolph, Ward #1	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Vice-Mayor John B. Partin, Ward #3	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Patience Bennett, Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Jasmine Gore, Ward #4			

Youth of Hopewell Good to Great / Violence Intervention Program

Concept Paper

Primary Contact: Kimberly Parson

Primary Email: kparson@hopewellva.gov

Primary Phone: 804-541-2272

Program Address: 150 W. Randolph Rd. Hopewell, Virginia 23860

Community & Organization Summary

The City of Hopewell has a population of just under 23,000 residents and is the 27th largest city in Virginia. The demographics of Hopewell consist of 53% Caucasian, 43.5% African American, 1.65% other race, and 1.37% Asian. Our community is comprised of 36.6% of high school graduates, and approximately 21% of our community has a college degree. Additionally our community has a median household income of \$39,000. The Hopewell Police Department has 68 sworn personnel, but currently we are staffed with 61, creating 7 vacancies. 22 of our sworn members are Non-Caucasian, transgender or female. Our agency currently has 17 civilian personnel, consisting of 1 Caucasian male, and 16 Non-Caucasian or female staff.

Project Description Summary

The Youth of Hopewell Good to Great Violence Intervention Program focuses on purposeful community, technical, education, and criminal justice partnerships that provide our identified promised youth with solutions that prevent them from leading a life guided through violence. The program also identifies solutions by providing support to our youth who have exposure to firearm and violent acts, with the goal to reduce recidivism. Our designed program has three points of focus to include, prevention, education, and socialization.

Project Narrative

Needs Statement:

From January 1, 2019 to December 31, 2021, 145 City of Hopewell Youth were charged with at least 1 felony. 351 youth were charged with at least 1 Class 1 misdemeanor offense. Additionally, 49 youth were charged with at least 1 Class 2-4 misdemeanor offense. Of those arrests, 32 youth were charged with violent or firearms related offenses. During the same period, we had 30 juveniles victimized to gun violence. To further perspective, between January 2019 and December 2021, our agency verified 271 shots fired incidents in our city. From a mental health lens, between 2019 and 2021, we processed 84 juvenile emergency custody and temporary detention orders.

Our youth currently have no other programs outside of schools that provide them with any alternatives, opportunities, or exposure to outside the streets of Hopewell. There are no diversion programs in place where community members invest their own time in helping cultivate character, relationship building, or positive influence pertaining to our youth. Without a proper program and community support, we can expect to see the same results each year, as outlined above.

Population Served:

The Youth of Hopewell Good to Great Violence Intervention Program intends to serve identified at-risk youth identified through the Hopewell Police Department, Hopewell Juvenile Courts System, as well as our City of Hopewell Public School system. The focused age range consist of rising eighth graders through senior year. The program is designed for both male and female youth in our community that have exhibited delinquent behavior, all the way up to the commission of violent and weapons offense acts.

Promising Practice:

The program components consist of three main elements and focus points, prevention, education, and socialization. These three elements provide the framework in developing and sustaining our program. The partnerships developed between our agency and community stakeholders demonstrate an ongoing commitment to the success of this program and the reduction of gun related crime with our youth population.

Practice 1: Develop stakeholders in the criminal justice system, school system, field of psychology, as well as community partnerships.

When identifying vested parties to help the program become successful, we not only as an agency, but also as a community should think outside of normal comfort levels. This program will need collaboration from juvenile courts services, juvenile judges, commonwealth's attorneys, public school system, as well as the police department in order for children in need to

be referred into the program. Additionally, we will need partnerships within the community, in order for the program to function.

Practice 2: Create comprehensive plan and curriculum aligning our three elements of prevention, education, and socialization.

Planning will consist of putting forward the organizational structure of our program to include a detailed explanation of the 8-week program from beginning to end. Additionally it will detail the follow-up and creation of the Alumni Association. Roles as well as thorough explanations of mandated classes will be documented in the plan, providing a clear understanding of what the program will achieve. Furthermore, measurable outcomes will be documented and explained.

Practice 3: Foster a culture of transparency both internally and externally.

Transparency both internally and externally is key to developing and sustaining trust. This program upon design completion shall be shared with key city leaders, as well as community members. This allows for both members of our agency, stakeholders, partners, and community members to fully understand the programs intentions, leaving no room for speculations. Additionally, this provides community buy-in and support.

Practice 4: Utilize true relationships and community partnerships to address gun violence.

Members of our community will identified and brought forward to drive the success of our program. We will collaborate with members from various trades to help expose our identified youth to experiences that they may not have any other opportunity to be exposed too. Trades include, barbers, cosmetology, carpentry, plumbing, etc. Additionally, the program will bring in outdoor experts and enthusiasts to work with our youth.

Project Description:

The program is designed to be an intensive yet educational 8-week curriculum exposing our identified youth to basic life skills, alternatives, and preventions that will assist in reducing their exposure to violent firearms related crimes. The class is built in a manner that provides the ability to pivot and adjust accordingly to what is successful, and what is current. Measurable outcomes of our program are formed through the reduction of recidivism, reduced behavioral issues through schools, reduced truancy and curfew violations, and rising score academically. Class capacity for each 8-week session will be 15 youth. The 8-week program will be continuous throughout the next two years, with a 4-week break in between.

Referral into the program can come in several ways. First, the courts can elect that the identified youth be enrolled into the program. If the child is selected, that information will be disseminated to our program coordinator by Juvenile Court services. Secondly, our Public School system can refer the youth into the program in order to satisfy a disciplinary action. If the school used our program as a diversion strategy, then they would contact the Program Coordinator directly. Lastly, as an agency, we may identify youth through our daily interactions that could be referred

into the program. Below is an example of what the class Curriculum would consist of. Further explanation follows.

Example of Curriculum:

Classes will take place on Saturday from 9:30am until 3:30pm. Lunch, Drinks, and Snacks will be provided. Parents will be required to attend first day from 9:30am through 12:00pm. Classes will take place at Kulture Kuts Barber Shop 2313 Oaklawn Blvd. Hopewell, VA 23860, unless otherwise stated in class syllabus.

Week 1 through Week 4:

Week 1	Week 2	Week 3	Week 4
Welcome Address 9:30-10:00	**Meet at City Point / Sign-in 9:30	Class sign-in 9:30	Class sign-in 9:30
Orientation 10:00-11:00	Fishing Basics 9:30-10:30	Leave for RRJ Tour 9:45	Leave for Kings Dominion 9:45
Contract/Photo/ Video Testimony 11:00-12:00	Shore Fishing 10:30-12:00	RRJ Tour/Inmate Conversation 10:00-12:00	Kings Dominion 1000-2:45
Lunch 12:00-12:30	Lunch on-site 12:00-12:30	Leave for OCME 12:00 Bag Lunch	Lunch will be provided on-site
Carpentry Workshop 12:30-3:30	Shore Fishing 12:30-3:30	OCME Tour 1:00-2:45	Arrive back 3:15
Class dismissal 3:30	Class dismissal 3:30	Class dismissal 3:30	Class dismissal 3:30

Week 5 through Week 8 continued on next page.

Week 5 through Week 8:

Week 5	Week 6	Week 7	Week 8
Class sign-in 9:30	Class Sign-in 9:30	**Meet at School Board Office / sign-in 9:30	**Meet at Virginia State University/sign-in 9:30
Leave for Capital Trail 9:45	Leave for Hiking 9:45	Movie 9:45 – 11:15	Campus Tour 9:45-11:45
Capital Trail Bike Ride 10:00-12:00	Hiking Pocahontas Park 10:30-12:00	Video Games 11:15-12:15	Lunch 11:45-12:45
Lunch on Trail 12:00-12:30	Lunch on-site 12:00-12:30	Culinary Arts 12:15-1:15 Lunch	Meet w/ Students Q&A 12:45-1:30
Capital Trail Bike Ride 12:30-3:00	Hiking Pocahontas Park 12:30-2:45	End of Class Testimony 1:15-2:15	Graduation Walk- Thru 1:30-2:00
Class dismissal 3:30	Class dismissal 3:30	Video Games Class dismissal 2:15-3:30	Graduation 2:00

Upon entry into the Program, the first day will consist of a welcome address and introduction of coaches, mentors, and leaders. After the welcome address, an orientation will take place, where the program will be explained to our youth and their parent or guardian. At this time, we will take their photograph, and get a video testimony from the youth explaining what choices led to entering the program. After lunch on the first day, the classes begin.

Our youth will get exposure to carpentry, and complete a woodworking project that will be displayed in our City. They will then have other opportunities that provide them with further skills paving a successful path forward. Identified community partners and stakeholders will teach classes with the assistance of agency personnel. Partnerships come from business and organizations like Kulture Kuts Barber Shop and VA Chain Breakers LLC. Photographs and video will be used to document the entire experience.

In week 7, we will get another video testimony from our youth as to how the program has helped them evolve. On graduation day, we will present the session's video and photo presentation, provide our youth with their original photograph and they will receive their graduation certificate. Their certificate will then be take back to the Courts, or Schools to show successful completion in the program. Upon successful completion and graduation, our youth will become Alumni in the programs Alumni Association.

The Alumni Association will provide further check-ins with graduated youth, and host events throughout the year, continuing to expose our youth to sporting events, theatre, etc.

Capabilities:

Provide a description of the organization and the capabilities of the organization to implement the proposed project.

Budget Narrative:

Provide a brief budget narrative that explains in general terms the anticipated cost associated with the proposed project.



Virginia Community-Based Gun Violence Intervention (CBGVI) Grant Solicitation

**Program Guidelines, Concept Paper and Application
Procedures**

***Concept Paper Due Date
March 11, 2022***

Virginia Department of Criminal Justice Services
1100 Bank Street, Richmond, Virginia 23219
www.dcjs.virginia.gov

Issued: January 31, 2022

**Virginia Community-Based Gun Violence Intervention
Grant Solicitation
Program Guidelines, Concept Paper
and Application Procedures**

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I. Introduction

The Virginia Department of Criminal Justice Services (DCJS) is now accepting applications for the Virginia Community-Based Gun Violence Intervention (CBGVI) Grant. The primary purpose of this initiative is to support the implementation of strategies that will result in reducing gun violence and gang activity in Virginia communities. This is a competitive, **two-phase solicitation** open to Virginia localities and non-profit organizations that demonstrate in their application collaboration with key stakeholders and a commitment to the implementation of promising practices that have been shown to be effective in reducing gun violence.

Gun violence is one of the most urgent public health crises of our time, with nearly 1,000 Virginians killed or injured by guns annually. Nowhere is this more evident than in historically underserved communities across the Commonwealth. DCJS recognizes that intentionality is key in developing a community-based, local agency collaborative strategy in addressing gun violence. Through violence prevention and intervention programs, numerous states have seen significant reduction in gun violence. Gun violence intervention and prevention programs avert interpersonal violence by working with a range of community stakeholders to provide support and intervention to those at highest risk for being a victim and perpetrator of violence.

Recognizing the serious need to address gun violence, the General Assembly appropriated \$2.5 million in federal American Rescue Plan Act of 2021 (ARPA) funds during the 2021 Special Session II of the General Assembly, to provide funding to support eligible applicants in implementation and/or enhancement of gun violence reduction initiatives. Specifically, [the budget language provides](#) \$2,500,000 to the Department of Criminal Justice Services to:

Provide competitive one-time grants to groups providing community-based gun violence reduction or youth and gang violence intervention programming through initiatives including, but not limited to, those substantially similar to programs such as the Gang Reduction and Youth Development of Los Angeles and Operation Ceasefire of Boston models. In awarding such grants, the Department shall prioritize initiatives in localities experiencing higher than average levels of gun violence and those assessed pursuant to Item 406¹ Paragraph R of Chapter 1289 of the 2020 Session of the General Assembly.

This announcement provides guidance to aid applicants in determining eligibility, developing a program narrative, developing the itemized budget and budget narrative, and completing other related forms. Using the guidance presented in this document, applicants should be able to efficiently and effectively prepare complete applications in the On-line Grant Management System ([OGMS](#)).

Through this **two-phase solicitation**, interested applicants are asked to first submit a Concept Paper, documenting the applicants' eligibility, the proposed project, and the expected outcomes of the project. Secondly, upon review of the Concept Papers, DCJS will invite select applicants to submit full applications for review. Grant awards will be made from the review of the full grant applications.

¹ The Appropriations Act of 2020 provided grant funding for community assessments for youth and gang violence prevention initiatives in Hampton, Newport News, Norfolk, Richmond, Roanoke, and Petersburg.

II. Eligibility and Amount Available

Eligibility:

Under this solicitation, eligible applicants include:

- Local government agencies (law enforcement, criminal justice, and human services agencies).
- Non-profit organizations providing human services and/or criminal justice services.

DCJS encourages local government agencies to partner with community organizations that are well positioned to support local gun violence reduction efforts. Effective partnerships between law enforcement and community stakeholders are essential to public safety, it is important that government agencies, community groups and non-profits all embrace public safety as a shared responsibility².

Applicants can apply for funding under one of the following three categories: governmental agency, non-profit organization, micro-grants for community-based organizations.

- Local government agencies can apply up to \$350,000 in grant funding,
- Non-government agencies can apply up to \$350,000 in grant funding.
- There will also be about \$120,000 available for smaller community-based organizations to receive micro-grants up to \$20,000.

Grants will be awarded on a competitive basis, for up to 24 months, beginning July 1, 2022 through June 30, 2024. Funding for the second year may be contingent upon ARPA funding being approved by the Department of Planning and Budget for use in Fiscal Year 2024 (July 1, 2023 – June 30, 2024).

Matching Funds Requirement:

There is no matching funds requirement for this grant program.

III. Availability of Continuation Funding

Grant awards issued through this grant program are dependent on the availability of funding within the state budget bill. The grant(s) cannot be extended and will not be eligible for continuation beyond the time period specified, unless additional state funds are made available in subsequent years.

IV. How to Apply

Concept Paper Deadline (Phase I):

Concept Papers submissions are required through DCJS's Online Grants Management System (OGMS). Instructions on how to register and use OGMS can be found at <https://www.dcjs.virginia.gov/grants/ogms-training-resources> (Please note that the registration process can take a few days.)

All applicants must select Start New Application in OGMS by selecting Community-Based Gun

² U.S. Department of Justice: Community Oriented Policing Strategies (COPS), Community Partnerships, (<https://cops.usdoj.gov/communitypartnerships>)

DCJS 2022 Virginia Community-Based Gun Violence Intervention (CBGVI) Grant Solicitation

Violence Intervention Grant FY22–24 in the Funding Opportunities tab. Concept Papers are to be submitted no later than 5:00 p.m. on **March 11, 2022**. Applications received after the deadline will not be considered. Early submissions are appreciated. The Concept Paper is a preliminary screening tool that DCJS uses to evaluate the applicant’s proposal.

(Invited Applicants Only) Full Application Deadline (Phase II):

Selected applicants will be invited to submit a full application. Full applications for invited organizations must be submitted in the DCJS Online Grants Management System ([OGMS](#)) no later than 5:00 p.m. on **April 29, 2022**. The system will not allow you to submit an application after the deadline, so please allow time for any possible technical difficulties you may experience.

To aid applicants in their grant application preparation, DCJS will be facilitating a webinar training on the following dates:

February 15, 2022 at 1:00pm. (Non-government Agencies)

Webinar registration: [CBGVI Solicitation Guidelines Webinar](#)

February 17, 2022 at 1:00pm (Local Government Agencies)

Webinar registration: [CBGVI Solicitation Guidelines Webinar II](#)

Additional programmatic and grant-related technical assistance will be made available to applicants invited to submit a full application.

V. Restrictions

Grant funds cannot be used to supplant state or local funds that would otherwise be available for the same purposes. Grant funds shall be used to supplement, not supplant, other federal, state, or local funds that would otherwise be available for the proposed gun violence reduction activities. Supplanting occurs when an entity reduces or reallocates federal, state, or local funds for a particular activity or purchase specifically because other funds are available.

Changes to the grant budget after award must be approved by DCJS prior to expending funds based on the changes.

Allowable Costs: Requested funds must be utilized to prevent and reduce gun violence.

Allowable CBGVI projects and purchases include, but are not limited to:

- Hiring additional personnel;
- Overtime;
- Supplies,
- Training;
- Travel expenses;
- Food; and
- Stipends/incentives.

Unallowable Costs include, but are not limited to:

- Weapons, ammunition and related equipment normally and routinely provided by the locality;

- Construction or renovation;
- Land acquisition;
- Lobbying and political contributions;
- Honoraria;
- Bonuses;
- Alcohol; and
- Vehicles normally and routinely provided by the locality to others in the same roles.

VI. Program Requirements

The primary goal of this initiative is to implement or enhance locally-led gun violence intervention programs based on promising practices that provide services and resources to the impacted communities and individuals. In addition, funds may support the creation of a local gun violence task force that will focus efforts on jurisdiction(s) with high rates of gun violence.

Violence Intervention Programs should focus on at least one of the following three key elements:

- **Prevention:** Solutions that keep youth and young adults from entering the cycle of violence. Prevention involves efforts to prevent escalation by assisting individuals at an increased risk of violence or exhibiting early signs of violent behavior.
- **Intervention:** Programs and policies that assist individuals and their families that have been impacted by violence, to reduce their risk levels of repeat exposure.
- **Enforcement:** Law enforcement practices that interrupt the cycle of violence and positively engage the community.

Successful gun violence intervention and prevention programs generally:

- Deter individuals at high risk for violence from engaging in firearm violence.
- Help individuals at high risk for violence resolve potentially violent disputes before they occur.
- Connect those at high risk for violence to education, employment, and housing services.
- Provide peer mentoring, trauma-informed services, and culturally responsive mental health support to individuals impacted by daily gun violence.
- Authentically engage community members to build trust and collaboration between stakeholders.

For **new program implementation**, applicants must demonstrate program readiness to include deliberate efforts at community outreach, collaboration, building partnerships with local business, non-profits, community organizations, local medical and health agencies, and law enforcement. Applicants must dedicate resources and expertise or subject matter experts needed to execute and administer the project. Applicants should fully describe program services and their ability to collect performance measures on program activities.

For funding to **enhance existing programs**, applicants must demonstrate and show current funding sources, (i.e. local or federal funding) for the existing program. Applicants must document initial project recommendations as well as any current and past challenges that may

have caused program operations to stall or stop. Applicants must document the successes that have been captured since the initial implementation of the program. Applicants must justify the need for an enhancement.

Financial and Progress Reporting Requirements:

All grant recipients will be required to submit quarterly financial and progress reports through [OGMS](#). Both quarterly reports are due within 15 days after the end of each calendar quarter. Failure to comply in a timely manner may result in DCJS withholding disbursement of grant funds and/or termination of the grant.

Disbursement of Funds

Disbursement of funds will occur on a cost-reimbursement basis for actual funds expended. Actual expenditures must be reported quarterly and invoiced pursuant to approved line item budget categories in the grant award package. Grantees will only be reimbursed for costs that have been incurred within the grant period, and which are reported on their financial report. Grant funds, including matching funds, may only be expended and/or obligated during the grant period. All obligations must be fulfilled no later than 45 days after the end of the grant period. Requests for reimbursement shall be submitted through the DCJS online grant management system.

VII. Possible Programs for Replication

Applicants are encouraged to draw upon components of programs that have demonstrated success in reducing gun violence, or to implement promising practices and other strategies that have reduced gun violence. OJP's [crime solutions](#) website is one resource that applicants may use to find information about promising practices and evidence-based practices in criminal justice, juvenile justice, and crime victim services.

The following are some examples of successful models in other states. Applicants may need to tailor these promising practices to meet the unique challenges of their community.

Operation Ceasefire (Boston)

Originally developed by the Boston, Massachusetts Police Department's Youth Violence Strike Force, Operation Ceasefire is a problem-solving police strategy that seeks to reduce gang violence, illegal gun possession, and gun violence in communities. The goals of the program are to carry out a comprehensive strategy to apprehend and prosecute offenders who carry firearms, to put others on notice that offenders face certain and serious punishment for carrying illegal firearms, and to prevent youths from following the same criminal path. As a deterrence strategy, the intervention is based on the assumption that crimes can be prevented when the costs of committing the crime are perceived by the offender to outweigh the benefits of committing a crime. It targets high-risk youths as well as serious and violent juvenile offenders. When replicated in Chicago, the program was based on the premise that violence is a public health issue and can be prevented. The program in Chicago included five core components: community mobilization, youth outreach, public education, leadership involvement, and criminal justice participation.

Outcomes: Operation Ceasefire was instituted in Boston, Chicago, Cincinnati, and Indianapolis

yielding a 25% to over a 60% reduction in gun-related homicides.³

Gang Reduction & Youth Development

Established in 2007, the City of Los Angeles created the first office of Gang Reduction and Youth Development. This office employed a multi-system approach led by local law enforcement to reduce gang involvement. The model fosters alternatives to promote positive social decision making for youth. The targeted group consist of youth between the ages of 10–15, with a goal to reduce and eliminate the likelihood of youth engaging in gang related activities. This model also incorporates pro-social skill and activities, paired with a focus on increasing family and youth protective factors.

Outcomes: Gang Reduction & Youth Development has successfully shown that violent gang-related crimes have declined modestly more since the implementation than in comparable areas within Los Angeles County, and individuals participating in Gang Reduction & Youth Development prevention programs have shown substantial improvements in attitudinal and behavioral risk factors associated with potential and future gang involvement.⁴

Cure Violence

In the Cure Violence model, outreach workers are trained to identify conflicts within their community and help resolve disputes before they spiral into gun violence. These outreach workers are credible members of the community and well-respected by individuals at a high risk of violence. Outreach workers use their credibility to interrupt cycles of retaliatory violence, help connect high risk individuals to social services, and change norms around using guns to solve conflicts.

Outcomes: Cure Violence models have been used successfully in multiple cities, including Chicago, Philadelphia, and New York. New York's neighborhoods with a Cure Violence site experienced 18% reductions in homicides from 2010–2013 while the matched control neighborhoods experienced a 69% increase during those same years.⁵

Group Violence Intervention and Focused Deterrence

In the Group Violence Intervention/ Focused Deterrence model, prosecutors and police work with community leaders to identify a small group of individuals who are chronic violent offenders and are at high risk for future violence. High risk individuals are called into a meeting and are told that if violence continues, every legal tool available will be used to ensure they face swift and certain consequences. These individuals are simultaneously connected to social services and community support to assist them in changing their behavior.

Outcomes: An analysis of 24 focused deterrence programs found that these strategies led to an overall statistically significant reduction in firearm violence. The most successful of these programs have reduced violent crime in cities by an average of 30% and improved relations between law enforcement officers and the neighborhoods they serve.⁶

³ United States Department of Justice, Office of the United States Attorneys, Programs; Operation Ceasefire and Safe Partnerships; <https://www.ojp.gov/pdffiles1/nij/188741.pdf>

⁴ Dunworth, Hayeslip, Lowry, Kim, Kotonias, Pacifici. (2013) Evaluation of Los Angeles Gang Reduction and Youth Development Program Year 3 Final Report, Urban Institute Justice Policy Center.

⁵ Butts JA, Wolff KT, Misshula E, & Delgado S. (2015). Effectiveness of the Cure Violence Model in New York City. John Jay College of Criminal Justice, Research & Evaluation Center.

⁶ Braga AA, Weisburd D, Turchan B. (2018). Focused Deterrence strategies and crime control: An updated systematic review and meta-analysis of the empirical evidence. Criminology & Public Policy.

Hospital-based Violence Intervention Programs

Hospital-based violence intervention programs provide gunshot victims admitted into hospitals with wraparound services such as educational support, job training, and mental health services to interrupt retaliatory cycles of violence and reduce the potential for re-injury.

Outcomes: One study found that those enrolled in these programs were six times less likely to be hospitalized again for a violent injury and four times less likely to be convicted of a violent crime than those not enrolled in the program. Likewise, an evaluation of Baltimore's program found that it saved the city \$1.25 million in lowered incarceration costs and \$598,000 in reduced healthcare costs.⁷

Trauma-Focused Cognitive Behavioral Therapy

Trauma-informed programs that employ cognitive behavioral therapy to those at risk for firearm violence have resulted in significant decreases in firearm violence.⁸ Cognitive behavioral therapy helps high risk individuals cope with trauma while simultaneously providing new tools to de-escalate conflict.

Outcomes: Trauma-informed programs in Chicago that provide high-risk youth with cognitive behavioral therapy and mentoring cut violent crime arrests in half.⁹

Shooting and Homicide Review Commissions

Shooting review commissions bring together law enforcement, community members, criminal justice stakeholders, and service providers to examine firearm violence within their community. Stakeholders collaboratively develop comprehensive interventions that identify high-risk individuals and address the underlying factors that lead to violence.

Outcomes: The shooting review commission in Milwaukee was associated with a significant and sustained 52% reduction in homicides.¹⁰ A Department of Justice evaluation found shooting review boards to be an effective way to reduce gun violence by building trust between criminal justice stakeholders and the community.¹¹

VIII. Grant Guidelines

Two Phase Application Procedure:

DCJS will use a two-phase process to solicit applications and award CBGVI grants. In the Concept Paper phase (Phase I), those interested in applying for CBGVI funding will submit a six-page Concept Paper outlining their proposed program. The page limit does not include the cover page.

DCJS will review all Concept Papers submitted in accordance with the specifications and instructions provided. Based on the strength of the Concept Paper and applicant eligibility, DCJS will issue invitations for participation in the Full Application phase (Phase II). Invitations to submit grant applications will be issued by **April 1, 2022**. Only invited grant applications will be considered for funding.

⁷ Cooper C, Eslinger DM, & Stolley PD. (2006). Hospital-based violence intervention programs work. *Journal of Trauma and Acute Care Surgery*.

⁸ Abt TP (2017). Towards a framework for preventing community violence among youth. *Psychology, health & medicine*.

⁹ Heller SB, Shah AK, Guryan J, Ludwig J, Mullainathan S, & Pollack HA. (2017). Thinking, fast and slow? Some field experiments to reduce crime and dropout in Chicago. *The Quarterly Journal of Economics*

¹⁰ Azrael D, Braga AA, O'Brien M. (2012). Developing the Capacity to Understand and Prevent Homicide: An Evaluation of the Milwaukee Homicide Review Commission. U.S. Department of Justice.

Concept Paper applicants should be mindful of the full application requirements which must be met if they are invited to participate in Phase II. Invited applicants will be required to complete the full application using the **DCJS On-line Grant Management System (OGMS)**.

Note: This is a competitive grant process. Neither the invitation to submit an application for CBGVI funds nor the provision of technical assistance to applicants by DCJS implies that an applicant will receive a grant award.

IX. Concept Paper Submission Instructions and Review Process (Phase I)

Concept Papers should to be uploaded into OGMS no later than 5:00 p.m. on **March 11, 2022**. Applications received after the deadline will not be considered. The Concept Paper application should include a cover page and project narrative. Applicants will be notified if they are invited or denied advancement to Phase II, by **April 1, 2022**.

Concept Paper Cover Page: The cover page should capture the title of the project, primary contact with contact information (email address, and telephone number), and program address. Include a brief a summary of the applicant’s community, organization, and project description. This page is not included in the page limitation.

Project Narrative: The project narrative may be up to six pages. This narrative should include the following sections:

- **Needs Statement:** Describe the needs of the community served, including the severity of crime or gun violence issues and the impact of violence on the community. Provide specific statistics that support the existence and extent of the problem as defined in the eligibility section of these guidelines.
- **Population Served:** Describe the intended population served by the project. Be specific about the localities, neighborhoods, communities, or types of individuals that will be served by the program.
- **Promising Practice:** Describe the components of the promising practice that will address the stated problems.
- **Project Description:** Provide a description of the proposed project or practice and some of the planned implementation activities and the activities relevance to reducing gun related violence in your community. Provide information on how the project will incorporate a collaborative and multi-disciplinary approach that includes community based organizations.
- **Capabilities:** Provide a description of the organization and the capabilities of the organization to implement the proposed project.
- **Budget Narrative.** Provide a brief budget narrative that explains in general terms the anticipated cost associated with the proposed project.

Concept Paper Review Process

DCJS is committed to ensuring a fair and open process for awarding grants. All applications will be reviewed as part of a competitive review process. External/non-DCJS staff and DCJS staff will rate each application based on information provided, adherence to these Grant Guidelines, and the clarity, substance, and strength of the request made for funding. DCJS staff and external reviewers will reviews all submitted Concept Papers to ensure that the information presented is reasonable,

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understandable, measurable, and achievable, as well as consistent with the solicitation. Each application can earn a weighted score of 100 points. The primary grant program elements are evaluated based on ratings of Excellent, Acceptable, Marginal, and Unacceptable.

The weighted rating points that can be awarded for each primary grant program element are:

- Needs Statement (0–12 points)
- Populations Served (0–12 points)
- Promising Practice (0–12 points)
- Project Description (0–36 points)
- Capabilities (0–16 points)
- Budget Narrative (0–12 points)

In accordance with the Appropriations Act, priority will be given to localities experiencing higher than average levels of gun violence (please refer to Appendix A) and those assessed pursuant to Item 406, Paragraph R of Chapter 1289 of the 2020 Session of the General Assembly.

X. Full Application Submission Instructions and Review Process (Phase II)

If DCJS invites applicants to submit a Full Application, invited organizations must submit the completed DCJS Grant Application packet by **5:00 p.m. on April 29, 2022** in [OGMS](#). Applications received after the deadline will not be considered.

Each application for the CBGVI Program funding **must be submitted using the DCJS Online Grant Management System (OGMS)**. Email files or paper applications will not be accepted. All required fields must be completed in order to submit your application. Do not include any items not requested such as letters of support, annual reports, publicity articles, etc.

General Information: The Application Creation Wizard will assist you in completing the application's General Information form. Step 1 of the Wizard requires an application title and a primary contact. The application title should include the agency's name and the grant program (e.g. Community Based Gun Violence Intervention Program FY22).

The primary contact is the individual in your agency who will be designated as the primary person responsible for the application and grant from your locality. This individual will receive automated email notifications when attention is needed on the application or grant. It is recommended that the Project Director (definition under Face Sheet) be listed as the primary contact. You will be able to add other individuals to give them access to edit the application or associate them later if the grant is awarded. No information can be released to an individual not associated with the grant in OGMS.

After General Information has been finished, you have the ability to complete the application in any order or save to return at another time.

Face Sheet: Required

- *Congressional District:* Select the Congressional District(s) that will benefit from the program. To select more than one, hold down the Ctrl key.
- *Best Practice:* This does not apply to the Byrne JAG Grant Program (it is only required of JJDP programs).

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- *Jurisdiction(s) Served:* Select all jurisdiction(s) served.
- *Program Title:* Provide a program title that includes the agency's name and the grant program (e.g. CBGVI Grant Program FY22-FY23 PS Program Any County).
- *Certified Crime Prevention Community:* Click the hyperlink on the form to see if your locality is certified.
- *VLEPSC or CALEA Accredited:* Yes or No
- *Type of Application:* For this funding opportunity, you will choose "New."
- *Community Setting:* Check the box(es) that best describes the applicant service area.
- *Brief Project Overview:* Provide a short description of the proposed project (maximum of 750 characters).
- *Project Director:* List the person who will have the day-to-day responsibility for managing the project, and provide all required contact information.
- *Project Administrator:* Name and contact information for the County Administrator or City Manager (Administrative and Fiscal Agent) who has the authority to formally commit the organization/locality to complying with all the terms of the grant application, including the provision of the required match, if applicable.
- *Finance Officer:* List the person who will be responsible for the fiscal management of the funds and provide all required contact information.

Project Narrative: All questions in this section are **required**.

- *Demonstration of Need:* Provide a description of your agency and a description of the unmet need or problem that the grant project will address. Describe your existing resources and services that are available to address the identified problems, and state why those resources and services are not adequate to address the unmet needs (maximum of 5000 characters).
- *Project Description:* Provide a detailed description of the project design and planned implementation activities. Describe how the project will reach the stated goals and the capabilities of your organization to implement and manage the project. The project description should tie implementation activities to project goals and objectives (maximum of 5000 characters).
- *Service Area Demographic/Target Population:* Provide a brief description of the target population to be served by your organization (maximum of 5000 characters).

Goals and Objectives: This section is **required** under this grant program. You should answer, "Yes" when asked, "Are Goals and Objectives required by the funding opportunity?"

- *Goal Number:* You can have more than one goal and they should be numbered. This allows you to enter multiple objectives under one goal without having to type it out multiple times.
- *Goals:* This is the outcome of your project and should be broad and general.
- *Objectives:* These directly support the larger goal. They should be narrow, precise, **measurable**, realistic, and capable of being completed within the grant period. The objective and goal should be in **S.M.A.R.T.** format (Specific, Measurable, Achievable, Related to the project, and Time-Based). A new row should be completed for each objective under a goal.
- *Activities:* This is a list of **measurable** tasks to be undertaken to accomplish the objective. You can have multiple activities per objective.
- *Month:* Mark the month in which implementation steps will start.

Budget: Required

- *Budget:* Click "Edit Grid" and enter your requested state amount under the "Federal" column.

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- Local match needs to be placed in the appropriate budget category under the “Cash Match” or “In-Kind” columns.
- *Match Percentage*: This box will auto-calculate the percentage of match provided in the grid. The percentage should equal 25% or should not be less than 25%

Personnel and Employee Fringe Benefits: A new row is required for each position requested under the grant. If a position is being requested, you should answer, “Yes” when asked, “Is Personnel being requested?”

Personnel: To request funding for staff, click “Add Row”

- *Employee Name*: Enter the name of the grant funded person. If the position is not currently filled, enter “To Be Determined” or “TBD.” If there are more than one TBD, then distinguish the names by adding a number (e.g. TBD-1 and TBD-2).
- *Position Title*: Enter title of the proposed grant funded position.
- *Position*: Indicate if the position is full-time or part-time.
- *Total Hours Per Week*: Include the number of hours dedicated to the grant project per week.
- *Total Hours Per Year*: Include the number of hours dedicated to the grant project per year.
- *Total Annual Salary*: Enter the total annual salary for the position to include grant-funded and other funding sources. This figure should **not** include fringe benefits.
- *Percent being requested*: Enter the percentage of the total annual salary you are requesting the grant to cover.
- *Number of Grant-Funded Hours*: This figure will auto calculate after you save the row and is based on the information you entered in “Total Hours Per Year” and “Percent being requested.”
- *Grant-Funded Full Time Equivalent*: This figure will auto calculate after you save the row and is determined by dividing the “Number of Grant-Funded Hours” by 2080 hours.
- *Total Salary Amount Requested from Grant*: This figure will auto calculate after you save the row and is based on information you entered in “Total Annual Salary” and “Percent being requested.”
- *New Position*: Indicate if this is a new position.
- *Personnel Funding*: Break down the “Total Salary Amount Requested from Grant” into Federal Funds and, if applicable, the appropriate local match field. The “Personnel Total” will auto calculate when you save the row.
- *Employee Fringe Benefits*: To request fringe benefits, click “Add Row”.
- *Employee Name*: Choose the name of the employee from the drop down box.
- *Enter the amounts of each benefit requested*: If you enter “Other”, you will need to describe and break down the costs of the benefits in the text box labeled. If “Other”, please describe.”
- *Requested Employee Fringe Benefits Total*: This figure will auto calculate after you save the row.
- *Fringe Benefits Funding*: Break down the “Requested Employee Fringe Benefits Total” into Federal Funds and, if applicable, the appropriate local match field. The “Employee Fringe Benefits Total” will auto calculate when you save the row.
- *Position and Justification*: This section is **required, if a position is requested**. Click “Add Row” to enter the information.
- *Employee Name*: Choose the name of the employee from the drop down box.
- *Description of Position*: The position description should briefly describe grant-related duties

performed by the person in the position.

- *Justification for Position:* The justification should explain how the position is essential to the project.

Consultants:

- Indicate if consultants or consultant subsistence and travel costs are included in your budget: yes or no. If “yes” under “Consultant” and “Consultant Subsistence (lodging + meals) & Travel,” enter the information required and the amounts for the funding source(s) as appropriate. Under the “Description and Justification,” select the name of the consultant and enter in the description of consultant’s role (maximum of 500 characters) and justification for use of consultant (maximum of 500 characters) for each item.
- Enter a description of each service contracted for and the name of the service provider.

Please note: The rate of compensation for individual consultants must be reasonable and consistent with that paid for similar services in the marketplace. The rate may not exceed \$650.00 per day (\$81.25 per hour, exclusive of travel), and may not exceed the consultant’s usual and customary fee.

Travel:

- Indicate if travel (mileage) costs are included in your budget: yes or no. If “yes” under “Local Mileage” or “Non-local mileage,” enter the number of miles and the mileage rate.

Under the Description and Justification, select the mileage being requested and enter in the description of mileage (maximum of 500 characters) and justification for mileage (maximum of 500 characters) for each item.

Subsistence:

- Indicate if subsistence and other travel costs are included in your budget: yes or no. If “yes” under “Subsistence” enter the event title, under “Lodging” enter the number of rooms required, number of nights and rate cost and under “Meals” enter the number of people, number of days, and the per diem rate. Under the “Description and Justification,” select the event item being requested and enter in the description of cost (maximum of 500 characters) and justification for cost (maximum of 500 characters) for each item.
- Under “Other Travel Costs,” enter the event title, number of people attending, number of trips with airfare, the rate and other travel costs. Under the “Description and Justification,” select the event item being requested and enter in the description of costs (maximum of 500 characters) and justification for cost (maximum of 500 characters) for each item.

Equipment:

- Indicate if equipment is included in your budget: yes or no. If “yes” enter the item requested, the cost per item or monthly rate, and the total number of items or months for each item. Under the Description and Justification, select the equipment item being requested and enter in the description (maximum of 500 characters) and justification (maximum of 500 characters) for each item.
- **Additional Documentation:** Provides the option for applicants to attach supporting documentation for the equipment items and costs. Click “Add New Attachment” and upload the file. In the description box, indicate the equipment item and explain what information the

file is providing.

Supplies and Other:

- Indicate if supplies and other included in your budget: yes or no. If “yes” enter the item requested, the cost per item or monthly rate, and the total number of items or months for each item. Under the Description and Justification, select the supply or item being requested and enter in the description (maximum of 500 characters) and justification (maximum of 500 characters) for each item.
- “Supplies and Other Operating Expenses” include, but are not limited to, rent, utilities, cell/land/fax/internet services, postage, and office supplies.

Attachments:

- Please upload any additional attachments required by this funding opportunity here.

Non-Supplantation:

- The section is **required** under this grant program. The Project Administrator, or the individual who has been delegated or designated as the signing authority, must certify that the grant funds requested under this grant program will be used to supplement existing funds and will not replace (supplant) funds appropriated for the same purpose.

General Conditions and Assurances:

- This section is **required** under this grant program. The Project Administrator, or the individual who has been delegated or designated as the signing authority, must certify that the grant funds gives assurances and certifies that the grant will follow federal conditions.

Lobbying Disbarment:

- This section is **required** under this grant program. The Project Administrator, or the individual who has been delegated or designated as the signing authority, must certify that the grantee will be in compliance with the certification requirements under 28 CFR Part 69, “New Restrictions on Lobbying” and 28 CFR Part 67, “Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-free Workplace”.

Authority Certification:

- This section is required under this grant program. If the person completing the application is not the Project Administrator, as previously defined, information regarding the signing authority, or the delegation of such authority, should be available upon request.

Full Application Review Process:

DCJS is committed to ensuring a fair and open process for awarding grants. DCJS reviews the applications to make sure that the information presented is reasonable, understandable, measurable, and achievable, as well as consistent with the solicitation.

All applications will be reviewed as part of a competitive review process. External/non-DCJS staff and DCJS staff will rate each application based on information provided, adherence to these Grant Guidelines, and the clarity, substance, and strength of the request made for funding. Reviewers

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may consider demonstrated need, geographic location, budget justification, cost-effectiveness of the proposed project, and the availability of competitive funds. DCJS reserves the right to change program budgets based on allowable costs, justification of items, and available funding.

Each application can earn a weighted score of 100 points. The primary grant program elements are evaluated based on ratings of Excellent, Acceptable, Marginal, and Unacceptable. The weighted rating points that can be awarded for each primary grant program element are:

- Needs Statement (0–24 points)
- Project Description (0–32 points)
- Capabilities (0–24 points)
- Budget Narrative (0–4 points)
- Itemized Budget (0–4 points)
- Timeline and Work-plan (0–12 points)

The Criminal Justice Services Board (CJSB) will review grant application scores and the summaries of staff internal and external reviewer evaluations of applications. The CJSB will make final grant award decisions at its meeting on June 16, 2022. Funding decisions made by the CJSB are final and may not be appealed.

DCJS Office of Grants Management in the Division of Financial Administration will issue grant award packages based on the final approval of the CJSB. Fiscal and programmatic revisions may be required as a condition of funding

XI. Technical Assistance

To aid applicants in their grant application preparation, DCJS will be facilitating a webinar training on the following dates:

February 15, 2022 at 1:00pm. (Non-government Agencies)

Webinar registration: [CBGVI Solicitation Guidelines Webinar](#)

February 17, 2022 at 1:00pm (Local Government Agencies)

Webinar registration: [CBGVI Solicitation Guidelines Webinar II](#)

Additional programmatic and grant-related technical assistance will be made available to applicants invited to submit a full application.

Please contact the following DCJS staff for questions regarding your Community-Based Gun Violence Intervention (CBGVI) grant application:

Greg Hopkins: email gregory.hopkins@dcjs.virginia.gov or telephone (804) 692-0977

For questions and technical assistance relating to the OGMS system, contact ogmssupport@dcjs.virginia.gov. Please include your grant program area in the Subject line.

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Appendix A

For 2 out of 3 calendar years 2018 through 2020,* Virginia localities with:		
Locality	20 or more homicides	10 or more homicides and a homicide rate at least 50% higher than the statewide homicide rate
Hampton		●
Newport News	●	●
Norfolk	●	●
Petersburg	●	●
Portsmouth	●	●
Richmond City	●	●
Roanoke City		●

*2020 homicide counts and rates are preliminary.

R-2



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE:

HCA/Air Methods Resolution to Approve Emergency Medical Helicopter at JRMC

ISSUE: HCA Virginia in cooperation with Air Methods Cooperation would like to relocate the Air Methods Emergency Medical Helicopter currently stationed at Chippenham Hospital to John Randolph Medical Center (JRMC). This will allow for rapid transport of critical care patients that need to access additional services provided by tertiary care centers in Central Virginia. It will also allow for a more efficient transport to these tertiary care centers, for patients in the field suffering from severe trauma and medical conditions. Both state and local code require approval by the local governing body to bring this service to the City.

RECOMMENDATION: Staff recommends approval of the attached resolution, granting HCA Virginia and Air Methods approval for this service.

TIMING: Action is requested of Council on March 8th 2022.

BACKGROUND: Virginia Code § 2VAC5-31-420-C. "Application for EMS agency license." States that: "An ordinance or resolution from the governing body of each locality where the agency maintains an office, stations an EMS vehicle for response within a locality or is a Designated Emergency Response Agency as required by § [15.2-955](#) of the Code of Virginia confirming approval. This ordinance or resolution must specify the geographic boundaries of the agency's primary service area within the locality."

In addition, Local Code § 4-2 states:

SUMMARY:

Y N

- Councilor Debbie Randolph, Ward #1
- Councilor Arlene Holloway, Ward #2
- Vice Mayor John B. Partin, Ward #3
- Councilor Jasmine Gore, Ward #4

Y N

- Councilor Janice Denton, Ward #5
- Councilor Brenda Pelham, Ward #6
- Mayor Patience Bennett, Ward #7

“No person shall operate or cause to be operated an ambulance (emergency medical service vehicle) within the city without first having applied for and obtained a permit from the city council authorizing such operation.”

ENCLOSED DOCUMENTS:

- Letter/application from CEO of JRMC
- PowerPoint slides from HVA/Air Methods
- Draft resolution

STAFF:

March Altman, City Manager

Benjamin Ruppert, Interim Fire Chief

FOR IN MEETING USE ONLY

MOTION: _____

Roll Call

SUMMARY:

Y N

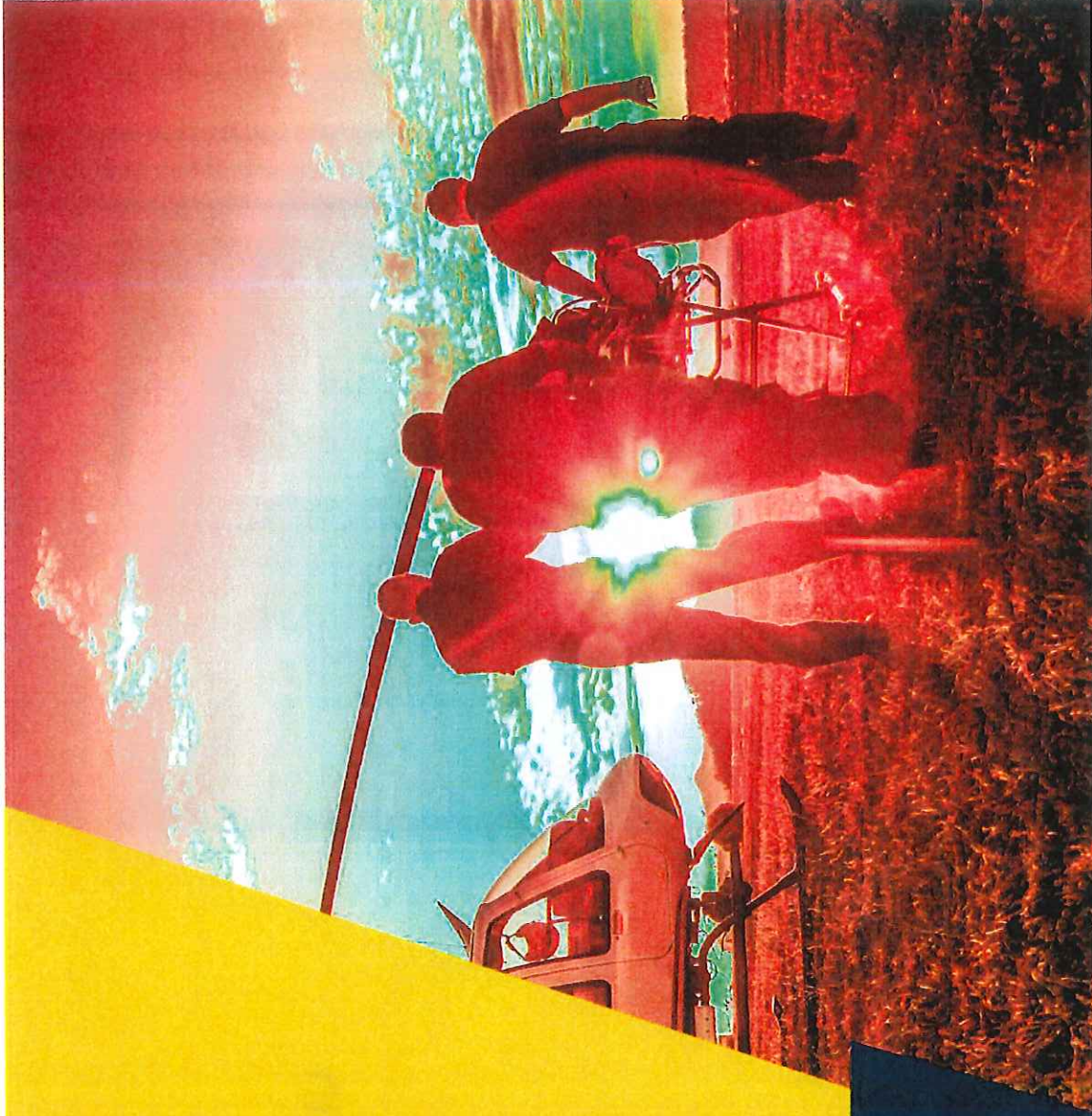
- Councilor Debbie Randolph, Ward #1
- Councilor Arlene Holloway, Ward #2
- Vice Mayor John B. Partin, Ward #3
- Councilor Jasmine Gore, Ward #4

Y N

- Councilor Janice Denton, Ward #5
- Councilor Brenda Pelham, Ward #6
- Mayor Patience Bennett, Ward #7

Hopewell City Council Presentation

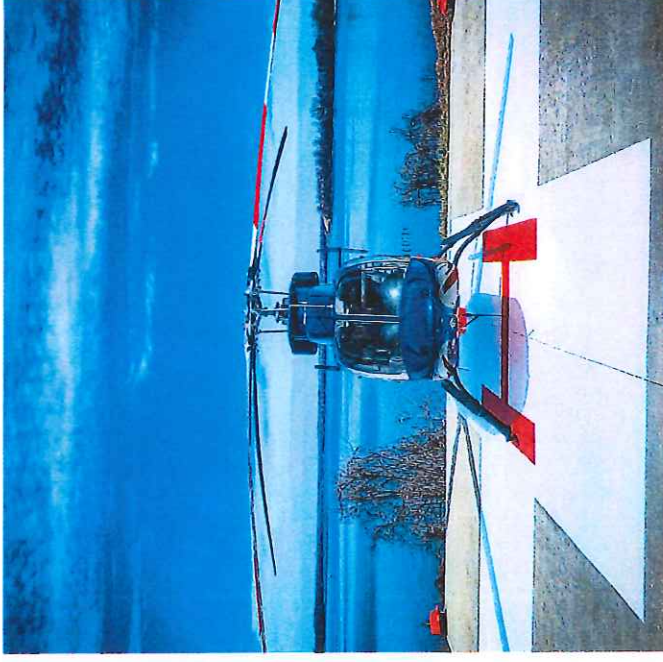
March 2022



Background



- HCA Virginia
- Air Methods
 - Intend to locate emergency medical helicopter at John Randolph Medical Center Campus.
- Virginia Department of Health requires locality approval (resolution).



HCA Air Care Eagle

 AirMethods®



- Operations started in 2020.
- Staffed by HCA employed Critical Care Nurses, Critical Care Paramedics and Pilots.
- 24/7/365 Operations.
- Responds to interfacility and scene requests.
- Resource to access the highest level of medical care when needed.

Air Methods Corporation

 Air Methods®



- National aviation services provider responding to patients in 49 states with over 300 bases.
- Provides the aircraft, pilots and mechanics.
- Specializes in helicopter EMS operations since 1980.
- Over 100,000 patients safely transported in 2021.
- Strong relationships with healthcare, public safety and government agencies.



Thank you for your time
and consideration!



Request for Hopewell City Council Resolution

HCA VIRGINIA IN COOPERATION WITH AIR METHODS MEDICAL
HELICOPTER PROJECT

Executive Summary

HCA Virginia in coordination with Air Methods Corporation intend to locate an emergency medical transport helicopter at John Randolph Medical Center. This resource will enhance access to definitive medical treatment for the citizens of Hopewell and surrounding areas. Virginia Department of Health regulations and local ordinance require a resolution granting approval.

The following documents are included for review:

- Letter from Joseph Mazzo, CEO of John Randolph Medical Center
- Answers to information requested by Interim Fire Chief Benjamin Ruppert to meet local/state requirements
- An overview document of Air Methods Corporation as well as articles of incorporation
- A roster of medical personnel
 - Verification of credentials can be made at the following URLs:
 - RN licensure <https://dhp.virginiainteractive.org/lookup/index>
 - Paramedic certification <https://vdhems.vdh.virginia.gov/emsapps/f?p=200:3>

HCA Virginia and Air Methods Corporation present this information and request a resolution be passed supporting this action. Our teams look forward to a productive and long relationship with the City of Hopewell.



February 8, 2022

March Altman
City Manager, City of Hopewell
300 N Main Street, Suite 216
Hopewell, VA 23860

Dear Mr. Altman:

For over 100 years, residents of the Tri-Cities area have sought care at John Randolph Medical Center. Our emergency rooms at the main campus and our freestanding emergency room provide care to patients of all ages and are accredited in stroke and chest pain. We are constantly focused on improving and expanding services to enable us to provide quality care to the community.

As part of the HCA Virginia network, we propose to expand services by placing the HCA Air Care Eagle helicopter on John Randolph's campus. This will allow for rapid transport and high-end critical care when patients need to access the extended services of surrounding tertiary care centers. This would also serve the surrounding area by facilitating rapid access to patients on medical and trauma scenes.

I fully approve of the relocation of this important asset and expansion of service to serve the community, and I ask for your support.

Please contact me if you have any questions.

Sincerely,

Joe Mazzo, FACHE
Chief Executive Officer
John Randolph Medical Center



2/11/2022

1. The name and address of the owner, and in the event that the owner is a corporation, a certified copy of the articles of incorporation.

Air Methods Corporation 5500 S. Quebec St. Greenwood Village, CO 80111

2. The number of vehicles actually owned and the number of vehicles actually operated by such owner on the date of such application, if any.

1 EC130 T2 will be operated in this location.

3. The make, type, year of manufacture, serial number, and equipment therein for each ambulance (emergency medical service vehicle) owned or operated by the applicant for a permit.

Eurocopter EC130 T2 SN#7895 Year 2014

4. Whether there are any liens, mortgages, or other encumbrances on such ambulance (emergency medical service vehicles), and if so, the amount and character thereof.

None

5. Copies of permits issued by the Commonwealth of Virginia for the applicant and for each ambulance (emergency medical service vehicle) used by the applicant.

New application

6. Copies of certificates issued by the Commonwealth of Virginia for each emergency medical care attendant employed and/or to be used by the applicant.

New application

Anthony J. Raymond
VP National Sales
Air Methods Corp.

Anthony J. Raymond

AIR METHODS

5500 SOUTH QUEBEC STREET, SUITE 300 | GREENWOOD VILLAGE, CO 80111

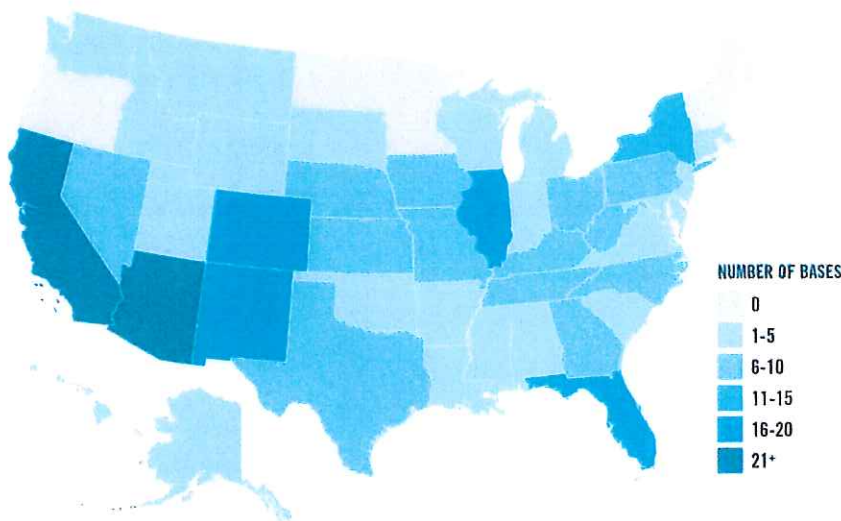
303.792.7400 | AIRMETHODS.COM



Air Methods Company Information

Air Methods is headquartered in Colorado, but our reach extends much further. With over 300 bases across the country, our reach is far and our care is wide. This wide reach allows for additional aircraft, the ability to leverage our supply chain power, and access to more overall resources. In 2021, our 5,000 teammates transported over 77,000 patients, including thousands of COVID patients, with our fleet of over 400 rotor-wing and fixed-wing aircraft.

As a recognized air medical leader with nearly 40 years' experience in emergency air transport, we believe our continued partnership will strengthen and grow the success of HCA Virginia. Since Air Methods' inception, we have safely transported and provided exceptional clinical care for millions of adult and pediatric patients. In 2021 alone, we safely transported more than 77,000 patients, including over 2,000 pediatric and neonate patients



OUR REACH IS FAR, OUR CARE IS WIDE.

We are ready to save lives at every moment of every day, with over 300 bases of operations serving 48 states. In rural communities, that kind of reach of care is crucial. Emergency air medical transport and treatment is often the only access to lifesaving emergency care they have – providing access to millions of people who otherwise would not have been able to make it to a trauma center. We also operate eight maintenance centers of excellence throughout the nation and a national communications center. So although we call Greenwood Village, Colorado, home, we are only a call away.

AIR METHODS

5500 SOUTH QUEBEC STREET, SUITE 300 | GREENWOOD VILLAGE, CO 80111

303.792.7400 | AIRMETHODS.COM

OF 23 33 03.0314 FROM 0000 111111

LIMITED LIABILITY COMPANY AGREEMENT

OF

ROCKY MOUNTAIN HOLDINGS, L.L.C.

THE LIMITED LIABILITY COMPANY INTERESTS IN ROCKY MOUNTAIN HOLDINGS, L.L.C. HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS. THE LIMITED LIABILITY COMPANY INTERESTS ARE ALSO SUBJECT TO SUBSTANTIAL RESTRICTIONS ON THEIR TRANSFER UNDER THIS LIMITED LIABILITY COMPANY AGREEMENT.

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LIMITED LIABILITY COMPANY AGREEMENT
OF
ROCKY MOUNTAIN HOLDINGS, L.L.C.

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "Agreement") of ROCKY MOUNTAIN HOLDINGS, L.L.C. (the "Company") is made and entered into as of this 6th day of January, 1995, by and between AMC Helicopters, Inc., a Delaware corporation with offices at 355 Water Street, Newport, Delaware 19804 ("AMC"), and Rocky Mountain Holdings, Inc., a Delaware corporation with offices at 32 Lookerman Square, Suite 1-100, Dover, Delaware 19901 ("Holdings"). AMC and Holdings are collectively referred to herein as the "Initial Members." The Initial Members together with any other Persons admitted to the Company as members shall be collectively referred to herein as "Members" and individually as a "Member."

BACKGROUND:

WHEREAS, AMC and Holdings have the rights to purchase the air medical transport services business (the "Business") currently being operated by Rocky Mountain Helicopters, Inc., a Utah corporation, RMH Aerologging, Inc., a Utah corporation, Western Helicopters, Inc., a California corporation, and RMH Aeromedical, Inc., a Utah corporation (such companies, collectively the "Owners"), all pursuant to the Asset Purchase Agreement dated September 14, 1994 signed by each of the Owners and Holdings, as amended by the First Amendment to Asset Purchase Agreement made as of September 21, 1994, as amended by the Second Amendment to Asset Purchase Agreement made as of November 1, 1994, as amended by the Third Amendment to Asset Purchase Agreement made as of December 13, 1994, and as further amended by the Fourth Amendment to Asset Purchase Agreement made as of December 29, 1994 (as amended, the "Asset Purchase Agreement").

WHEREAS, the Owners are currently in a proceeding for reorganization under Chapter 11 of the Bankruptcy Code pending in United States Bankruptcy Court (the "Bankruptcy Court") for the District of Utah, Central Division, Case Nos. 93C-25447, 93C-25448, 93C-25449 and 93C-25450 (the "Bankruptcy Proceeding").

WHEREAS, AMC and Holdings have decided to form the Company to acquire the Business from the Owners all pursuant to the terms of the Asset Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual agreements set forth in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

THE COMPANY

Section 1.1 Glossary. Certain terms used herein are defined in the Glossary attached hereto as Exhibit A, which is incorporated herein and made a part hereof.

Section 1.2 Organization. The parties hereby form the Company as a limited liability company pursuant to the Delaware Limited Liability Company Act (6 Del. C. § 18-101, *et seq.*) (as amended, the "Act") for the purposes and upon the terms and conditions set forth herein. The relative rights and obligations of the Members shall be as provided in the Act and this Agreement.

Section 1.3 Name. The name of the Company shall be "Rocky Mountain Holdings, L.L.C." and all business of the Company shall be conducted under the Company's name and the trade name "Rocky Mountain Helicopters" or such other assumed, trade, or fictitious name or names as the Members shall from time to time determine. The Members and/or the Company shall execute and timely file and maintain in current effect all required statements of doing business under a fictitious name, designations of agents for service of process and all other required documents or registrations in the jurisdictions in which the Company conducts business or has an interest in real property.

Section 1.4 Principal Office. The principal office and business headquarters of the Company shall be located at 800 South 3119 West, Provo, Utah 84603, or at such other location as may be selected from time to time by the Members. The Company may also maintain such other offices and facilities at such other places as the Members shall determine.

Section 1.5 Character of Business. The business of the Company shall be to acquire and operate an air medical transport services business, to engage in other related activities as may be incidental to such business, and to do all such other acts and to execute all such agreements and instruments as are incidental or useful to the forgoing business. The Company shall not engage in any other business without the unanimous consent of the Members. The Company shall have and may exercise all powers now or hereafter permitted by the State of Delaware to be exercised by a limited liability company formed under the laws of that state, and to do any and all things not prohibited by law, in furtherance of the business of the Company as fully as natural persons might or could do.

Section 1.6 Term. The Company shall commence existence upon the filing of the Certificate of Formation required by §18.201 of the Act (the "Certificate") in the Office of the Secretary of State of the State of Delaware and, unless sooner terminated pursuant to law or this Agreement, shall dissolve at 11:59 p.m. on December 31, 2024. The Certificate was duly filed in the Office of the Secretary of State of the State of Delaware at 12:15 p.m. on January 6, 1995.

Section 1.7 Fiscal Year. The fiscal year ("Fiscal Year") of the Company shall be the calendar year.

Section 1.8 Limited Liability Company Interests.

(a) The Company shall initially have one class of limited liability company interest (the "Membership Interest") having the rights, powers and duties set forth herein and representing the percentage equity interests in the Company provided for in Section 2.1(b). Subject to Section 2.5, the Company with the unanimous consent of its Members may from time to time admit Persons as Members of the Company who constitute additional classes or groups of Members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of Members.

(b) Any Person may at the same time be a Member with respect to more than one class or group of Membership Interest, and, in such event, shall for the purposes of this Agreement be separately entitled to the rights afforded a Member in each of such classes or groups under this Agreement.

Section 1.9 Company Assets.

(a) The Members shall use the Company's credit and assets solely for the benefit of the Company. All real and personal property owned by the Company shall be owned by the Company as a separate legal entity. Each Member's interest in the Company shall be personal property for all purposes.

(b) No Member shall, either directly or indirectly, take any action to require partition or appraisement of the Company or of any of its assets or properties or cause the sale of any Company property for other than a Company purpose, and to the maximum extent allowed by law, each Member hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to its Membership Interest or with respect to any assets or properties of the Company, except as expressly provided in this Agreement.

(c) Nothing herein constitutes a waiver by any Member of its right under § 18-802 of the Act to apply to the Court of Chancery of the State of Delaware for a decree of dissolution of the Company on the grounds that it is no longer reasonably practicable to carry on the Business in conformity with this Agreement.

Section 1.10 Limitation on Liability. Except as otherwise required by the Act or other applicable law or as expressly agreed in writing, no director, officer, shareholder, partner, employee or agent of any Member shall be personally liable for the payment of any sums owing by such Member to the Company or any other Member under the terms of this Agreement or for the performance of any other covenant or agreement of such Member contained herein.

Section 1.11 Conflicts of Interest and Transactions with Affiliates.

(a) Each Member, and each Affiliate of each Member, may engage in or possess an interest in any other business or other activity whatsoever, whether presently existing or hereafter created, without any accountability to the Company or any Member except as otherwise limited by Section 15.1 herein.

(b) With the unanimous approval of the Members, the Company may enter into any arrangement, contract, agreement or business venture that is not prohibited under the Act with a Member or any of such Member's Affiliates. Each Member understands and acknowledges that the conduct of the business of the Company may involve business dealings with other business ventures of the Members and their Affiliates. Without limiting the generality of the foregoing, the Company, with the unanimous approval of its Members, may borrow funds from any Member or its Affiliates on such terms as are unanimously approved by its Members.

Section 1.12 Statutory Compliance. The Members have executed and caused to be filed the Certificate in the Office of the Secretary of State of the State of Delaware pursuant to § 18-201 of the Act and hereafter shall execute such further documents and take such further action as shall be appropriate to comply with the Act and all other requirements of law for the formation and operation of a limited liability company in the State of Delaware and all other jurisdictions in which the Company may elect to do business.

Section 1.13 Power of Attorney.

(a) Each Member hereby irrevocably constitutes and appoints the Initial Members, or either of them, and their authorized agents and officers (collectively, the "Authorized Agents") with full power of substitution as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices: (A) all certificates and other instruments and all amendments or restatements thereof which the Initial Members, or either of them, or any of the Authorized Agents deem appropriate or necessary to qualify, or continue the qualification of, the Company as a limited liability company in all jurisdictions in which the Company may conduct business or own property; (B) all instruments, including any amendment or restatement of this Agreement, which the Initial Members, or either of them, or any of the Authorized Agents deem appropriate or necessary to reflect any amendment, change or modification of this Agreement made in accordance with this Agreement; (C) all conveyances and other instruments or documents which the Initial Members, or either of them, or any of the Authorized Agents deem appropriate or necessary to reflect the dissolution, merger or liquidation of the Company pursuant to the terms of this Agreement; and (D) all instruments relating to the admission or substitution of any Member pursuant to this Agreement; and

(ii) sign, execute, swear to and acknowledge all ballots, consents, approvals, waivers, certificates and other instruments which the Initial Members, or either of them, or any of the Authorized Agents deem appropriate or necessary to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Members hereunder, is deemed to be made or given by the Members hereunder, or is consistent with the terms of this Agreement and/or appropriate or necessary, in the sole discretion of the Initial Members, or either of them, or any of the Authorized Agents to effectuate the terms or intent of this Agreement;

provided, however, the power of attorney granted in this paragraph (a) shall not be exercised without the unanimous written consent of all Initial Members.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive, and not be affected by, the dissolution, bankruptcy or withdrawal of any Member, or the transfer of all or any portion of the Member's Membership Interest and shall extend to the respective successors, assigns and legal representatives of each Member. Each Member shall be bound by any representations made by the Initial Members, or any of them, and the Authorized Agents acting in good faith pursuant to such power of attorney; and each Member irrevocably waives any and all defenses which may be available to contest, negate or disaffirm any action of the Initial Members, or either of them, or any of the Authorized Agents taken in good faith under such power of attorney. Each Member shall, within fifteen days after receipt from the Initial Members, or either of them, or any of the Authorized Agents of a request therefor, execute and deliver to the Initial Members, or either of them, or the Authorized Agents such further designations, powers of attorney and other instruments as the Initial Members, or either of them, or the Authorized Agents deem necessary or desirable to effectuate this Agreement and the purposes of the Company.

ARTICLE 2

CAPITAL CONTRIBUTIONS; PREEMPTIVE RIGHTS; LOANS

Section 2.1 Initial Capital Contributions.

(a) Each Initial Member shall, as its initial Capital Contribution for its Membership Interest, contribute cash to the Company at the time and on the terms specified on Schedule A.

(b) In exchange for its initial Capital Contribution, each Initial Member shall have a Membership Interest representing a 50% equity interest in the Company and shall be entitled to 50% of the profits and losses of the Company and the right to 50% of the distributions of the Company's cash and other assets.

(c) Each additional Member shall make its Initial Capital Contribution as set forth in an amendment to this Agreement.

Section 2.2 Additional Capital Contributions. Unless otherwise agreed by all of the Members, no additional capital contributions shall be required of the Members. Unless otherwise agreed upon by all of the Members or as provided in Section 6.1(b) below, any additional contributions agreed to be made by the Members shall be made pro rata in accordance with their percentage equity interests in the Company represented by their Membership Interests.

Section 2.3 Form of Capital Contributions.

(a) The initial Capital Contributions of the Initial Members shall be made in cash and the initial Capital Contributions of any additional Members may be made in cash or in property or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services as the Members may unanimously determine to be appropriate.

(b) Additional Capital Contributions to the Company shall be made in cash or in property or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services as the Members may unanimously determine to be appropriate. Any future non-cash contribution to the capital of the Company shall be valued at its fair market value as determined in the reasonable judgment of the Members.

Section 2.4 Capital Contributions Generally. Except as otherwise expressly provided herein: (a) no Member shall be required to contribute any capital to the Company; (b) no Member may withdraw any of its capital from the Company; (c) no Member shall be required to make any loan to the Company; (d) loans by a Member to the Company shall not be considered a contribution of capital, shall not increase the capital account of the Member making the loan or its ownership interest of the Company and the repayment of such loans by the Company shall not decrease, or result in any adjustment to, the capital account of the Member making the loan; (e) no interest shall be paid on any capital contributed to the Company by any Member; (f) under any circumstances requiring a return of all or any portion of a Capital Contribution, no Member shall have the right to receive property other than cash; and (g) no Member shall be required at any time to restore any deficit in its capital account.

Section 2.5 Preemptive Rights. In the event that the Company proposes to issue additional Membership Interests, or rights, options, or warrants exercisable for or convertible into additional Membership Interests of any type or class whatsoever, each of AMC and Holdings and their respective Affiliates shall have the preemptive right, exercisable for a period of 10 days from the date of written notice thereof, to purchase that portion of such issue as may be necessary in order that their percentage equity interests in the Company do not decrease as a result of such issuance.

Section 2.6 Loans. The Company, with the approval of all of the Members, may incur indebtedness, including indebtedness from any Member or its Affiliates on such terms as are approved by all of the Members. The loans from the Members described on Schedule A are approved by the Members.

ARTICLE 3

DISTRIBUTIONS

Section 3.1 Distributions.

(a) Unless otherwise agreed by all of the Members, cash distributions shall be made out of funds legally available therefor by the Company to the Members on or before each date on which the Company would have to pay federal, state or local income, capital stock, or franchise taxes if it were a corporation, in an aggregate amount at least equal to such taxes.

(b) In addition to distributions made pursuant to paragraph (a) above, the Company shall from time to time make such distributions to the Members out of funds legally available therefor as all of the Members in their sole discretion may determine is appropriate, without being limited to current or accumulated income or gains.

(c) Such distributions may be made from Company revenues, borrowings or Capital Contributions. The Members may in their sole discretion distribute to Members Company property other than cash.

(d) All distributions shall be made to the Members in proportion to their respective percentage equity interests in the Company represented by their Membership Interests as set forth on Schedule A.

(e) No distribution shall be made to the Members that is prohibited by §18-607 of the Act.

Section 3.2 Taxes Withheld. Unless treated as a Tax Payment Loan (as hereinafter defined), any amount paid by the Company for or with respect to any Member on account of any withholding tax or other tax payable with respect to the income, profits or distributions of the Company pursuant to the Code, the Treasury Regulations, or any state or local statute, regulation or ordinance requiring such payment (a "Withholding Tax Act") shall be treated as a distribution to such Member for all purposes of this Agreement, consistent with the character or source of the income, profits or cash which gave rise to the payment or withholding obligation. To the extent that the amount required to be remitted by the Company under the Withholding Tax Act exceeds the amount then otherwise distributable to such

Members, the excess shall constitute a loan from the Company to such Member (a "Tax Payment Loan") which shall be payable upon demand and shall bear interest, from the date that the Company makes the payment to the relevant taxing authority, at the prime lending rate as announced from time to time by Barclays Bank, plus 2 percentage points, compounded monthly. So long as any Tax Payment Loan or the interest thereon remains unpaid, the Company shall make future distributions due to such Member under this Agreement by applying the amount of any such distribution first to the payment of any unpaid interest on all Tax Payment Loans of such Member and then to the repayment of the principal of all Tax Payment Loans of such Member. The Members shall have the authority to take all actions necessary to enable the Company to comply with the provisions of any Withholding Tax Act applicable to the Company and to carry out the provisions of this Section. Nothing in this Section shall create any obligation on the Members to advance funds to the Company or to borrow funds from third parties in order to make any payments on account of any liability of the Company under a Withholding Tax Act.

Section 3.3 No Other Distributions Permitted. No distribution of assets of the Company not provided for under this Agreement shall be made by the Company to any Member without the written consent of all of the Members.

ARTICLE 4

ALLOCATIONS

Section 4.1 Allocations. Except as otherwise required under Code section 704 and by regulations thereunder, all income, gain, loss, deductions and credits of the Company for federal income tax purposes shall be allocated among the Members in proportion to their respective percentage equity interests in the Company represented by their Membership Interests.

ARTICLE 5

CONTROL AND MANAGEMENT

Section 5.1 Rights and Duties of the Members.

(a) The management of the Company shall be vested in its Members. Each Member shall have equal rights in the management of the Company and all decisions of the Members regarding the management of the Company shall require unanimity.

(b) Without limiting the foregoing, the Members shall have the power, authority, and right in the name and on behalf of the Company to:

(i) acquire the Business from the Owners pursuant to the Asset Purchase Agreement;

(ii) expend the capital and revenues of the Company in furtherance of the Company's business and pay all expenses, debts and obligations of the Company to the extent that funds of the Company are available therefor;

(iii) invest the Company's funds pending disbursement thereof in furtherance of the Company's business or to provide a source from which to meet contingencies;

(iv) purchase property and assets in furtherance of the business of the Company, protect and preserve the Company's title and interest in such properties and assets, and sell, Transfer or otherwise dispose of such properties and assets;

(v) institute, defend and settle litigation arising in connection with the Company's business, submit claims to arbitration and confess judgment against the Company, and give receipts, releases and discharges with respect to all of the foregoing;

(vi) maintain, at the expense of the Company, records and accounts of operations and expenditures;

(vii) purchase, at the expense of the Company, liability, casualty, fire and other insurance and bonds to protect the Company's properties, business, Members, their respective employees, and the employees of the Company;

(viii) employ, at the expense of the Company, consultants, accountants, attorneys, and others and terminate such employment;

(ix) negotiate, enter into, perform and terminate any and all agreements, documents, licenses and other instruments necessary or incidental to the conduct of the business of the Company (including, without limitation, agreements of merger or consolidation in which the Company is the surviving entity);

(x) incur indebtedness, borrow funds and/or issue guarantees, and pledge the Company's assets to secure the same, in each case in furtherance of the Company's Business, including borrowings from Barclays Business Credit, Inc. or other lenders to finance or refinance the purchase of the Business from the Owners and to provide funds for working capital purposes;

(xi) issue or cause to be issued, and purchase, interests in the Company, including, without limitation, rights, options, warrants, notes, and bonds;

(xii) admit additional or substitute Members;

(xiii) amend this Agreement in accordance with its terms; and
(xiv) perform all other functions related to the business and affairs of the Company.

(c) The Members have the power and authority to appoint and remove individuals as officers of the Company and to delegate to such officers such duties and responsibilities as the Members may determine.

(d) Each Member shall at all times have a fiduciary responsibility to the Company and the other Members, and shall act with loyalty and care with respect to the Company and with fairness and good faith as regards both the Company and the other Members.

Section 5.2 Procedure of Member Meetings.

(a) Meetings. Regular meetings of the Members shall be held at such time and place as shall be designated from time to time by the Members. Special meetings of the Members may be called at any time by any Member. Notice of the date, time and place of each special and regular meeting, setting forth the business to be considered at such meeting, shall be delivered to each other Member in accordance with Section 12.3 or, in the case of a special meeting, the Member calling the meeting, at least three days in advance of the meeting, unless such notice is waived in writing (before or after the meeting) by each Member. The Members shall appoint a Secretary at each meeting to record the minutes of the meeting, which shall be kept with the records of the Company.

(b) Quorum. The presence, in person or by proxy, of all Members shall constitute a quorum for the transaction of business at a meeting of the Members. If a quorum shall not be present at the time and place fixed for such regular meeting or specified in the notice of any other meeting, then such meeting shall automatically be adjourned (without the need for further notice) until the same time (and at the same place) on each next succeeding business day until a quorum is present. At any such adjourned meeting of the Members; only those matters which shall have been specified in the notice calling the meeting which was so adjourned shall be voted upon, and no other matters.

(c) Action by Members. All actions by the Members shall require the affirmative vote of all Members by person or by proxy.

(d) Participation in Meetings. Members may participate in any meeting by conference telephone or similar communications equipment by which all participants can hear each other. Such participation shall be deemed presence at the meeting in person for all purposes. Any Member may appoint any Person to act for him or it as such Member's proxy with respect to any matter or matters to be considered or action to be taken by the Members. A Member shall authorize another Person to act for it as such Member's Proxy by executing and delivering to the other Members a writing appointing such Person as its proxy. Such proxy may

be revoked by the Member granting the proxy at any time by written notice delivered to the other Members, provided that any such revocation shall not affect the validity of any action taken by such proxy before such revocation.

(c) Action Without a Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if a written consent to the action so taken shall be signed by all Members and filed with the minutes of the meetings of the Members.

(f) Other Rules and Regulations. The Members may adopt other or additional rules and regulations not inconsistent with this Agreement concerning the frequency and conduct of its meetings.

Section 5.3 Officers. Pursuant to the authority granted in Section 5.1(c) hereof, the Members may appoint and remove a Chief Executive Officer to perform such duties as from time to time may be assigned to him by the Members, including overseeing the daily operations of the Company. The Members may also appoint and remove such additional officers of the Company as the Members may from time to time determine. Such officers shall serve at the pleasure of the Members and shall have such duties and responsibilities as the Members may from time to time determine. The compensation of all the officers of the Company shall be fixed by the Members. J. Russell Spray shall act as the initial Chief Executive Officer of the Company. The Members shall appoint an individual to act as liaison between the Members and the officers of the Company, provided, however, AMC shall have the authority to designate Thomas D. Bell to act as such liaison so long as Thomas D. Bell shall remain an officer of AMC. Notwithstanding any other provision of this Agreement, two-thirds of all officers that the Members appoint must be Citizens of the United States and the Company's President (or other equivalent officer) must be a Citizen of the United States.

Section 5.4 Third Parties. As to any third Person, the Members jointly and any officer appointed by the Members shall have full power and authority to execute all documents and to take other actions in the name and on behalf of the Company and thereby bind the Company with respect thereto. The duly adopted resolution of the Members authorizing any officer of the Company to execute any document or to undertake any action shall be conclusive evidence of such officer's authority with respect thereto.

Section 5.5 Exculpation; Indemnification.

(a) No Member or Affiliate of any Member, nor any of their respective partners, shareholders, officers, directors, employees or agents, nor any officer appointed by the Members, shall be liable, in damages or otherwise, to the Company or to any Member for any act or failure to act on its or his or her part, except for any act or failure to act resulting from its or his or her own negligence, willful misconduct or recklessness or any breach of any of the material terms and provisions of this Agreement.

(b) The Company shall indemnify, defend and hold harmless, to the fullest extent permitted by law, each Member and each Affiliate of each Member and their respective partners, shareholders, officers, directors, employees and agents, and each officer appointed by the Members, from and against any claim, loss or liability of any nature whatsoever (including reasonable attorneys' fees) incurred by him, her or it arising out of or in connection with the conduct of the business of the Company, unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted negligence, willful misconduct or recklessness of such Person or a breach by such Person of any of the material terms and provisions of this Agreement. The foregoing obligation of the Company shall be satisfied only out of the assets of the Company and under no circumstances shall any recourse be available against any Member or the assets of any Member.

(c) The Members may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by them and any opinion of any such Person as to matters which the Members reasonably believe to be within such Person's professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the Members hereunder in accordance with such opinion. The Members may also rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, agreement, report, notice, request, order, bond, debenture, or other paper or document reasonably believed by them to be genuine and to have been signed or presented by the proper party or parties.

(d) To the maximum extent permitted by law, expenses incurred by a Member or other Person in defending any action or proceeding against which indemnification may be made pursuant to this Section shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined that he, she or it is not entitled to be indemnified by the Company.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section shall, continue as to a Person who has ceased to serve in the capacity as to which it was indemnified and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such Person.

Section 5.6 Annual Business Plan. A business plan for 1995 will be prepared by the officers of the Company and shall be submitted to the Members for their approval shortly after the acquisition of the Business. Thereafter, a new one-year plan (with a three-year outlook) will be prepared annually by the officers of the Company and shall be submitted to the Members for their approval.

Section 5.7 Management Fee. In consideration for the consulting services and expertise and technical information and advice that the Initial Members from time to time make available to the Company, the Company shall pay a management fee up to a maximum of

\$240,000 in the aggregate per annum (the "Management Fee") to the Initial Members. Until December 31, 1995, the Management Fee shall be split between each of the Initial Members on a 50/50 basis. In each year thereafter, the Management Fee will be divided between the two Initial Members based upon the Initial Members' assessment of their relative contributions to the Company during the prior year.

ARTICLE 6

LIABILITY TO THIRD PARTIES

Section 6.1 Liability of Members.

(a) The debts, obligations, and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability solely by reason of being a Member of the Company.

(b) Notwithstanding paragraph (a) above, until such time as this provision is repealed by amendment to this Agreement, the Initial Members shall be fully liable for all of the debts, obligations, and liabilities of the Company. No such repeal shall affect the liability of the Initial Members for debts, obligations and liabilities of the Company incurred prior to the repeal of such provision.

ARTICLE 7

ACCOUNTING AND RECORDS

Section 7.1 Books and Records. The Company shall keep books of account for the Company in accordance with the accrual method of accounting and generally accepted accounting principles. Upon at least ten business days' prior notice to the Company, any Member shall have the right to inspect and copy at its own expense the Company's books and records during reasonable business hours.

Section 7.2 Annual Reports. By 120 days after the end of each Fiscal Year (or such earlier date as may be required under the Code) the Company shall deliver to each Member a report indicating each Member's share for federal income tax purposes of the Company's income, credits and deductions for the immediately preceding Fiscal Year together with all other information concerning the Company which may be required by the Code from time to time. The Company shall also cause an annual report of the operation of the Company to be distributed to the Members within 120 days after the end of each Fiscal Year together with financial statements reflecting the Company's operation during such year. The financial statements need not be audited unless the Members otherwise request.

Section 7.3 Tax Returns. The Company shall prepare all income and other tax returns of the Company and cause the same to be filed in a timely manner. All correspondence relating to the preparation and filing of the Company's tax returns as well as copies of final Company tax returns shall be given to the Members at their respective addresses as indicated in Section 12.3. AMC shall be "tax matters partner" of the Company as defined in Section 6231(a)(7) of the Code.

ARTICLE 8

TRANSFERS OF INTERESTS; WITHDRAWAL

Section 8.1 General Transfer Provisions and Restrictions.

(a) Except as otherwise permitted under paragraphs (b), (c), or (d) below, no Member may sell, convey, assign, transfer, pledge, hypothecate or otherwise encumber or dispose of (any such event, a "Transfer," and the taking of any such action, to "Transfer") all or any portion of, or right in or to, its Membership Interest or its capital stock, without the consent of all of the Members, which consent may be granted or withheld in their respective sole discretion. Further, any Transfer shall be made only upon such terms and conditions as all of the Members shall approve.

(b) Any Member may Transfer all or any portion of its Membership Interest to any Affiliate of such Member without the consent of the Members. If at any time such Transferee ceases to be an Affiliate of the Transferring Member, such Transferee shall immediately reconvey to the Transferor all Membership Interests then owned by such Transferee.

(c) If AMC (and/or its Affiliates) or Holdings (and/or its Affiliates) (such Person or Persons proposing to make such Transfer the "Transferring Member") has received and desires to Transfer all or any of its Membership Interests (other than pursuant to Section 8.1(b)) pursuant to a bona fide offer to purchase such Membership Interests from a third Person (the "Purchaser"), the Transferring Member shall first offer to sell such Membership Interests to the non-transferring Member (the "Non-Transferring Member") upon the same terms and conditions as contained in the Purchaser's offer by giving written notice thereof to the Non-Transferring Member. The Non-Transferring Member, upon such notification, shall within ten (10) days of such receipt of such notice notify the Transferring Member of its election to purchase (or cause an Affiliate of the Non-Transferring Member to purchase) the Transferring Member's interest upon terms and conditions no less favorable than those of the third party offer. In such event, the Non-Transferring Member shall purchase the Transferring Member's interest within ninety (90) days of having received notice of the offer of the Purchaser to purchase the Transferring Member's interest. If the Non-Transferring Member elects not to purchase the Transferring Member's interest as provided in the preceding sentence, the Transferring Member shall sell its interests to the Purchaser in accordance with paragraph (c)

below and Section 9.1. If such sale of the Transferring Member's interest in the Company is not consummated within ninety (90) days of the Non-Transferring Member having notified the Transferring Member of its election not to purchase the Transferring Member's interest in the Company, the Transferring Member shall not sell any interest in the Company without first reoffering to sell such interest to the Non Transferring Member in accordance with this paragraph (c).

(d) In the event (i) the Non-Transferring Member declines to exercise its right of first refusal as provided for in paragraph (c) and (ii) the Purchaser requires as a condition of its purchase of the Membership Interests from the Transferring Member that the Non-Transferring Member sells its Membership Interests to the Purchaser, the Non-Transferring Member shall sell all of its Membership Interests to the Purchaser on the same terms and conditions on which the Membership Interests of the Transferring Member are to be sold to the Purchaser.

(e) All Transfers of Membership Interests shall be by instrument in form and substance satisfactory to the Company. Any Transfer of Membership Interests in violation of this Agreement shall be null and void and shall not operate to vest any rights in any Transferee. A Transfer of a Membership Interest only entitles the Transferee to share in such profits and losses, to receive such distributions, and to receive such allocation of income, gain, loss, deduction, or credit or similar item to which the Member transferring such Membership Interest was entitled unless the Transferee is admitted as a Member under paragraph (f) below.

(f) Every Transferee of any Membership Interest who wishes to participate in the Company as a Member shall execute a counterpart of this Agreement pursuant to Section 9.1 accepting and adopting all of the terms and provisions of this Agreement, as the same may have been amended from time to time (including without limitation, with respect to any Transfer to an Affiliate pursuant to Section 8.1(b)). The Transferee of a Membership Interest under paragraph (e) above shall be admitted as a Member and entitled to all rights of a Member only upon the execution of this Agreement, as the same may have been amended from time to time. The Transferor shall execute and acknowledge all such instruments, in form and substance satisfactory to the Company as may be necessary or desirable to effectuate such Transfer.

(g) In no event shall the Company dissolve or terminate upon the admission of any Member to the Company or upon any permitted Transfer of a Membership Interest by any Member.

(h) Notwithstanding any other provision of this Agreement, no Transfer may be made by a Member to a Transferee if such Transfer would result in the Company no longer being a Citizen of the United States.

Section 8.2 Expenses. All expenses of the Company and of the Members occasioned by a Transfer permitted under Section 8.1(b) and (c) above shall be borne by the Member effecting such Transfer. In the event of a Transfer under Section 8.1(d), all expenses incurred by the Transferring Member and the Non-Transferring Member will be borne by the Member incurring such expense and all expenses incurred by the Company will be borne by the Company.

Section 8.3 Allocations With Respect to Transferor's Interest. Upon the permitted Transfer of all or any part of a Membership Interest, each item of Company income (or loss) and deduction allocable to such Membership Interest shall be pro rated (as to the Transferred Membership Interest) between the Transferor and Transferee on the basis of the number of days in the taxable year of the Company preceding (and including) and succeeding, respectively, the date as of which the assignment is executed. Gain or loss from the sale or other taxable disposition of a Company capital asset shall be allocated to the Persons who were Members at the time such gain or loss was recognized by the Company.

Section 8.4 Section 754 Election. The Company shall, at the request of any Member, cause the Company to elect, pursuant to section 754 of the Code, to adjust the basis of Company property as provided in sections 734(b) and 743(b) of the Code. The Company shall be responsible for determining the adjustments required or permitted by said sections of the Code, provided that, in the case of any adjustment required or permitted under section 743(b) of the Code, the Transferee Member or Members shall be solely responsible for determining the adjustments required thereunder unless such Member or Members provide the Company with all the information necessary for the Company to determine the adjustments.

Section 8.5 Withdrawals. No Member may withdraw from the Company without the prior consent of all of the Members, except as permitted under this Agreement, including a withdrawal occurring by reason of a Transfer of his or its entire Membership Interest permitted under Section 8.1.

Section 8.6 Avoidance of Termination. The purchase of a Member's Membership Interest by another Member pursuant to this Agreement shall, at the election of the party purchasing the selling Member's Membership Interest, be made by a wholly-owned subsidiary of the purchasing party, by the Company or in such other manner as to avoid a termination of the Company as a limited liability company or a deemed termination of the Company under Section 708(b) of the Code.

ARTICLE 9

ADMISSION OF NEW MEMBERS

Section 9.1 Procedure.

(a) New Members may be admitted to the Company as a result of the Transfer of Membership Interests pursuant to Article 8 or the issuance of additional Membership Interests pursuant to Section 1.8. Each new Member shall be admitted pursuant to this Section 9.1. Each new Member shall sign a supplement to this Agreement at the time such new Member is admitted confirming the admission of the new Member hereunder, and containing such Person's binding agreement to be bound by all the terms of this Agreement.

(b) In connection with the admission of any new Member to the Company, the other Members shall have the power, right and authority to amend this Agreement to reflect the rights and obligations of such new Member, including without limitation its obligations to contribute to the capital of the Company, rights to distributions and allocations, and rights to approve or consent to Company actions.

ARTICLE 10

DISSOCIATION OF A MEMBER

Section 10.1 Dissociation. A Person shall cease to be a Member upon the happening of any of the following events (each an "Event of Dissociation"):

(a) the occurrence of an Event of Bankruptcy involving such Person within the meaning of §18-304 of the Act;

(b) in case of a Member that is an Entity other than a corporation, the dissolution and commencement of winding up of the separate Entity;

(c) in case of a Member that is a corporation, the filing of a certificate of dissolution or its equivalent, for the corporation or the revocation of its charter;

(d) the withdrawal of a Member (other than a withdrawal occurring by reason of a transfer of the Member's entire Membership Interest permitted under Section 8.1) prior to December 31, 2024; or

(e) a change in ownership or the officers or Board of Directors (or its equivalent) of any Member, if such Member is an Entity, that would result in the Company no longer being deemed a Citizen of the United States.

Section 10.2 Rights of Dissociating Member. In the event that any Member dissociates prior to the term specified in Section 1.6, such Member shall be entitled to the following rights:

(a) If the Event of Dissociation causes a dissolution and winding up of the Company under Article 11, the Member shall be entitled to participate in the winding up of the Company to the same extent as any other Member, except that any Distributions to which the Member would have been entitled shall be reduced by the damages sustained by the Company or the remaining Members as a result of the dissolution and winding up.

(b) If the Event of Dissociation occurs under Section 10.1(a) but does not cause a dissolution and winding up of the Company under Article 11, the Member shall be entitled to receive an amount equal to the value of the Member's Membership Interest in the Company, to be paid within six months of the date of dissociation. The value of the Member's Membership Interest shall equal (i) the amount of any Distribution to which the Member is entitled until the date of dissociation, plus (ii) the fair value of the Member's Membership Interest as of the date of dissociation based upon such Member's right to share in Distributions from the Company.

(c) If the Event of Dissociation occurs under paragraphs (b), (c), (d), or (e) under Section 10.1 but does not cause a dissolution and winding up of the Company under Article 11, the Member shall be entitled to receive an amount, to be paid within six months of the date of dissociation, equal to (i) the amount of any Distribution to which the Member is entitled until the date of dissociation, plus (ii) the fair value of the Member's Membership Interest as of the date of dissociation based upon such Member's right to share in Distributions from the Company, less (iii) damages sustained by the Company or the remaining Members as a result of the dissociation of the Member.

(d) If the parties are unable to agree on the fair value of the Member's Membership Interest under paragraphs (b) and (c) above, then the Member and the Company (acting through its Members other than the dissociating Member) shall select an investment banking firm reasonably satisfactory to each of them to make the fair value determination. The fees and expenses of the investment banking firm in making such determination shall be borne 50% by the Company and 50% by the dissociating Member.

ARTICLE 11

DISSOLUTION AND WINDING UP OF THE COMPANY

Section 11.1 Events of Dissolution. The occurrence of any of the following shall constitute an event of dissolution of the Company (an "Event of Dissolution"):

(a) the expiration of the term of the Company as provided in Section 1.6 above;

(b) the sale or other disposition in a single transaction or series of related transactions of all or substantially all of the assets of the Company;

(c) an Event of Dissociation of a Member; provided, however, that upon the occurrence of an Event of Dissociation of a Member, the Company shall not be dissolved and its business shall not be required to be wound up if within 90 days of the Event of Dissociation all of the remaining Members consent to continue the business of the Company;

(d) the issuance of a decree of judicial dissolution by the Court of Chancery in accordance with § 18-802 of the Act; or

(e) the written consent of all of the Members.

Section 11.2 Effect of Dissolution. Upon the occurrence of an Event of Dissolution, the Company shall continue solely for the purposes of winding up its business and distributing its assets to its creditors and Members entitled thereto.

Section 11.3 Sale of Assets by Liquidator.

(a) Upon the dissolution of the Company as provided in Section 11.1 hereof, (i) the Members or (ii) if one of the Members is involved in an Event of Dissociation under Section 11.1(c) that has resulted in the dissolution of the Company, the remaining Members or (iii) if the remaining Members are unable or unwilling to serve, a person appointed by the vote of holders of a majority of the Membership Interests, shall act as liquidator (the "Liquidator") to wind up the Company.

(b) The Liquidator shall, in the name of, and for and on behalf of the Company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the Company's business in an orderly and business-like manner, dispose of and convey the Company's property, discharge or make reasonable provision for the Company's liabilities and distribute to the Members any remaining assets of the Company, all without affecting the liability of Members and without imposing liability on the Liquidator.

(c) Upon winding up of the Company, the assets of the Company shall be distributed to creditors of the Company in accordance with § 18-804 of the Act. After the claims of the Company's creditors have been paid, or reasonable provisions for the payment thereof have been made, the remaining assets of the Company shall be distributed to the Members in accordance with Section 3.1.

Section 11.4 Certificate of Cancellation. Upon the dissolution and the completion of the winding up of the Company as provided in Section 11.3 hereof, the Liquidator

shall file a certificate of cancellation of the Company's Certificate of Formation in the Office of the Secretary of State of the State of Delaware as required by § 18-203 of the Act.

ARTICLE 12

GENERAL PROVISIONS

Section 12.1 Separability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.2 Assignment. This Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective permitted successors and assigns. This Agreement and the rights and obligations set forth herein may not be assigned or delegated by any party without the written consent of each other party hereto, except as provided herein.

Section 12.3 Notices. All notices or other communications permitted or required under this Agreement shall be in writing and shall be sufficiently given if and when hand delivered to the persons set forth below or if sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, or by telegram, telex or telecopy, receipt acknowledged, addressed as set forth below or to such other person or persons and/or at such other address or addresses as shall be furnished in writing by any party hereto to the others. Any such notice or communication shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor in all other cases.

To AMC:

355 Water Street
Newport, Delaware 19804
Attention: Thomas D. Bell

with a copy to:

American Manufacturing Corporation
181 South Gulf Road
King of Prussia, Pennsylvania 19406
Attention: Charles M. Slingshoff, Jr.

To Holdings:

32 Loockerman Square, Suite L-100
Dover, Delaware 19901
Attention: William R. Dimeling, Esquire

Section 12.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original; and any person may become a party hereto by executing a counterpart hereof, but all of such counterparts together shall be deemed to be one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 12.5 Governing Law. This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the internal laws of the State of Delaware (and United States federal law, to the extent applicable), without giving effect to otherwise applicable principles of conflicts of law.

Section 12.6 Confidentiality. Except as otherwise expressly provided herein, each party agrees that it shall keep strictly confidential and shall not disclose or distribute to any Person any Confidential Information (as defined below) concerning or obtained from any other Member or relating to any of the Company's business without such other Person's prior consent, except that such Confidential Information may be disclosed to officers, directors, employees, contractors and representatives of such Person having a need to know such information in the performance of their duties and who agree to be bound by the terms of this Section. In addition, no party shall use any Confidential Information relating to another party to compete with or adversely affect the business of the Company, such other party or its Affiliates. For the purposes of this Section, "Confidential Information" means all confidential or proprietary information in whatever form furnished to a party by or on behalf of another party together with any other information concerning such other party or its business in the possession of such party; provided that it does not include information which such party can demonstrate (i) is generally available to or known by the public other than as a result of disclosure by such party; (ii) was obtained by such party from a source other than another Member provided such source was not bound by a duty of confidentiality with respect to such information; (iii) was in the lawful possession of such party without confidentiality restrictions prior to the date of this Agreement; (iv) is intentionally made available by the other party to a third party on an unrestricted basis; or (v) is required to be disclosed by law provided that prior written notice of such disclosure is given to the other Member.

(c) be entitled to rely on the authority of the Person signing this Agreement with respect to the voting of the Company's Interest of such Entity and with respect to the giving of consent on behalf of such Entity in connection with any matter for which consent is permitted or required under this Agreement; and

(d) be entitled to rely upon the authority of any general partner, joint venturer, trustee, or president or vice president, as the case may be, of any such Entity the same as if such Person were the Person originally signing this Agreement on behalf of such Entity.

Section 12.13 Arbitration.

(a) All disputes arising out of or relating to this Agreement (other than with respect to a deadlock among the Members regarding the conduct of the Company's business) which cannot be settled by the parties shall promptly be submitted to and determined in arbitration pursuant to the rules and regulations then obtaining of the American Arbitration Association. Notwithstanding the preceding sentence, (i) all disputes arising under written agreements or instruments contemplated herein shall be governed by their own terms, (ii) any determination of fair value contemplated by Section 10.2(d) shall be made by an investment banking firm, (iii) any application for dissolution pursuant to § 18-802 of the Act shall be decided by the Delaware Court of Chancery, and (iv) all matters specifically required by law to be determined by a court shall be determined by the Delaware Court of Chancery.

(b) All arbitrations instituted under this Agreement shall take place in Philadelphia, Pennsylvania. Discovery shall be allowed pursuant to the intendment of the United States Federal Rules of Civil Procedure and as the arbitrators determine appropriate under the circumstances.

(c) The arbitration tribunal shall be formed of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two arbitrators. The arbitrators shall be required to apply the contractual provisions hereof in deciding any matter submitted to them and shall not have any authority, by reason of this agreement or otherwise, to render a decision that is contrary to the intent of the parties as set forth in this Agreement.

(d) Under no circumstances shall the arbitrators have any authority to assess special or consequential damages against any party, or any damages in excess of such party's investment in the Company. Subject to the foregoing, the arbitration award shall be final, binding on the parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all matters related thereto except that each party shall be responsible for its own legal fees and expenses incident to such arbitration. Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be.

ARTICLE 13

INVESTMENT REPRESENTATIONS

Section 13.1 Representations by Members.

(a) Each Member represents and warrants to the Company and to each other Company that it has acquired its Membership Interests in the Company for its own account, for investment only and not with a view to the distribution thereof, except to the extent provided in or contemplated by this Agreement.

(b) Each Member recognizes that (i) the Membership Interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from such registration, and agrees that it will not sell, offer for sale, transfer, pledge or hypothecate its Membership Interests in the Company (A) in the absence of an effective registration statement covering such Membership Interests under the Securities Act, unless such sale, offer of sale, transfer, pledge or hypothecation is exempt from registration for any proposed sale, and (B) except in compliance with all applicable provisions of this Agreement, and (ii) the restrictions on transfer imposed by this Agreement may severely affect the liquidity of an investment in the Membership Interests.

ARTICLE 14

REPRESENTATIONS AND WARRANTIES

Section 14.1 Representations and Warranties of AMC and Holdings. Each of AMC and Holdings represents and warrants as to itself as follows:

(a) The Member is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation as set forth in this Agreement;

(b) The obligations under this Agreement to be performed by it have been duly authorized by all necessary corporate action on its part;

(c) This Agreement has been duly and validly executed by the Member and constitutes a valid and binding obligation of it, enforceable in accordance with its terms, subject to (i) applicable bankruptcy, insolvency or other similar laws relating to creditors' rights generally, and (ii) general principles of equity;

(d) The execution, delivery and performance by the Member of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach or violation of, or a default under, the Member's certificate of incorporation, bylaws,

any agreement by which it or any of its properties is bound or any statute, regulation, order, or other law to which it is subject; and

(c) The Member is a "citizen of the United States" within the meaning of 49 U.S.C. §40102(a)(15) or any successor provision (a "Citizen of the United States").

ARTICLE 15

COVENANTS

Section 15.1 Non-Competition Covenants.

(a) During the term of this Agreement, each of the Members and its Affiliates agree not to engage, directly or indirectly, on its own or with third parties in the medical transport services business in North America.

(b) In order to protect the investment of the purchaser(s) in the event of a sale of the entire interest in the Company (including any obligation convertible into an ownership interest) (the "Entire Interest") by AMC (and its Affiliates) or Holdings (and its Affiliates), the selling Member and its Affiliates agree not to (i) engage, directly or indirectly, in the medical transport services business in North America or (ii) divert or attempt to divert clients, customers (whether or not such Persons have done business with the Company once or more than once) or accounts of the Company, for a period of three years after the selling Member disposes of its Entire Interest, unless the prior consent of the purchaser and the non-selling Member is obtained.

(c) In the event of any breach of the covenants contained in this Article 15, the parties recognize that the remedies at law will be inadequate and that in addition to any other remedies they may have, the aggrieved Member and/or the Company, as the case may be, shall be entitled to equitable remedies (including an injunction) and other such relief as a court may deem appropriate.

(d) To the extent that any part of this Article 15 may be invalid, illegal or unenforceable for any reason, it is intended that such part shall be enforceable to the extent that a court of competent jurisdiction shall determine that such part if more limited in scope would have been enforceable and such part shall be deemed to have been so written and the remaining parts shall as written be effective and enforceable in all events.

(e) The parties recognize that the foregoing territorial and time limitations are properly required for the adequate protection of the Members and/or the Company, as the case may be, and that in the event that any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, then the parties agree and

submit to the reduction of either such territorial or time limitation to such an area or period as such court shall deem reasonable.

Section 15.2 Citizenship. Each Member agrees that until the expiration of the term specified in Section 1.6 that the Member will not do any act or take any action that would cause the Member not to be deemed to be a Citizen of the United States.

ARTICLE 16

AMENDMENTS

Section 16.1 Right to Amend. This Agreement by the unanimous consent of the Members may be amended in all respects.

Section 16.2 Manner of Amendment. Any amendment to this Agreement that is permitted hereunder may be made by amending the Agreement or by an addendum hereto. Any such amendment or addendum shall be set forth in writing and a copy of the Agreement as amended or the addendum as adopted, as appropriate, shall be provided to each Member promptly after it becomes effective.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

AMC HELICOPTERS, INC.

Attest: [Signature] By: [Signature] Vice Pres.
Name: Charles M. Slingshoff Jr.
Title: Vice President

ROCKY MOUNTAIN HOLDINGS, INC.

Attest: _____ By: _____
Name:
Title:

submit to the reduction of either such territorial or time limitation to such an area or period as such court shall deem reasonable.

Section 15.2 Citizenship. Each Member agrees that until the expiration of the term specified in Section 1.6 that the Member will not do any act or take any action that would cause the Member not to be deemed to be a Citizen of the United States.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

AMC HELICOPTERS, INC.

Attest: _____

By: _____

Name:

Title:

ROCKY MOUNTAIN HOLDINGS, INC.

Attest: _____

By: Richard R. Nelson

Name:

Title:

EXHIBITS AND SCHEDULES

D:\K10\MARSHYS.PUBLIC\BLANKS.A\MYPO\LLCO.AOM

Exhibit A

GLOSSARY OF DEFINED TERMS
ROCKY MOUNTAIN HOLDINGS, L.L.C.

Limited Liability Company Agreement
dated as of January 6, 1995

<u>Term</u>	<u>(Definition or Section in which definition appears)</u>
Act	Section 1.2
Affiliate	A Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Person in question. For purposes of this definition, "control" of an Entity means the power to direct the management of such Entity, whether by ownership, contract or otherwise. For purposes of Article 8, however, the definition of control also means ownership of 50% or more of the equity interest in any partnership, corporation, or limited liability company.
Agreement	Preamble
AMC	Preamble
Asset Purchase Agreement	Background
Authorized Agents	Section 1.13
Bankruptcy Court	Background
Bankruptcy Proceeding	Background
Business	Background

Capital Contribution	Any amount of cash, property, or services contributed by a Member to the Company in respect of its equity interest therein in accordance with this Agreement.
Certificate	Section 1.6
Citizen of the United States	Section 14.1(e)
Code	The Internal Revenue Code of 1986, as the same may be amended from time to time. Any reference herein to any section of the Code shall mean and include any and all corresponding provisions of succeeding law.
Company	Preamble
Confidential Information	Section 12.6
Entity	Any general partnership, limited partnership, corporation, joint venture, trust, business trust, limited liability company, cooperative or association.
Entire Interest	Section 15.1(b)
Event of Bankruptcy	Any of the events listed in 6 Del. C. §18-304.
Event of Dissociation	Section 10.1
Event of Dissolution	Section 9.1
Fiscal Year	Section 1.7
Holdings	Preamble
Initial Members	Preamble
Liquidator	Section 11.3
Management Fee	Section 5.7
Member(s)	Preamble

Membership Interest	The entire ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of the Act.
Non-Transferring Member	Section 8.1(c)
Owners	Background
Person	Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.
Purchaser	Section 8.1(c)
Securities Act	Section 13.1(b)
Tax Payment Loan	Section 3.2
Transfer	Section 8.1(a)
Transferring Member	Section 8.1(c)
Treas. Reg.	The Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time.
Withholding Tax Act	Section 3.2

Schedule A

List of Members (including addresses and capital contributions)

<u>Name and Address of Member</u>	<u>Initial Capital Contribution and Value</u>	<u>Membershin Interest</u>
AMC Helicopters, Inc.	\$6,250,000 cash	50 %
Rocky Mountain Holdings, Inc.	\$6,250,000 cash	50 %

Approved Loans

<u>Lender</u>	<u>Loan Amount</u>	<u>Form of Loan</u>
United National Insurance Company	\$4,750,000	12% Subordinated Debenture due January 15, 2005
Dincling, Schreiber & Park Reorganization Fund	\$4,750,000	12% Subordinated Debenture due January 15, 2005
Bridge Lender	\$6,250,000	Bridge Loan

Internal Use Only

CONROY, THOMAS P

Certification Level : EMT/P
Certification # : E032176001

Certification Expiration : 03/31/2023

DEAVER, CARLY R

Certification Level : RN, EMT
Certification # : B031414901

Certification Expiration : 03/31/2023

GIBSON, TAYLOR A

Certification Level : EMT/P
Certification # : E201604320

Certification Expiration : 05/31/2024

JEFFORDS, WILLIAM J

Certification Level : EMT/P
Certification # : E041608703

Certification Expiration : 03/31/2023

LOVELADY, JAMES H

Certification Level : RN, EMT/P
Certification # : E081405302

Certification Expiration : 08/31/2022

SCHOTT, CLINTON C

Certification Level : EMT/P
Certification # : E051304106

Certification Expiration : 02/28/2023

SUMNER, LAURA C

Certification Level : RN, EMT
Certification # : B201901992

Certification Expiration : 04/30/2025

THOMPSON, JAMES S

Certification Level : EMT/P
Certification # : E072705916

Certification Expiration : 03/31/2023

R-3



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE:

Request to Appropriate Funds for Hopewell City Marina

ISSUE: The existing boat slips at the Hopewell City Marina have reached the end of their useful lifespan. The boat slips currently exhibit failure in key areas such as structural pilings, roof support, and roof decking. As a result of the widespread degradation and feasibility of repairs, the City Administration recommends demolition of the existing slips.

RECOMMENDATION: The City Administration recommends appropriation of \$350,000 of unassigned funds to proceed with demolition of the existing boat slips at the Hopewell City Marina.

TIMING: Action is requested at the March 8, 2022, meeting of Hopewell City Council.

BACKGROUND: The existing boat slips at the Hopewell City Marina were constructed by the Hopewell Yacht Club in the 1960's and 1970's. These structures have aged to a point where repairs are not feasible. Operation of the boat slips is prohibitive to public river access and problematic within the local government structure. The City is seeking outside funding to support the creation a new public access space at the waterfront to improve recreation opportunities for the community as a whole.

FISCAL IMPACT: Demolition of existing slips must occur as soon as possible to mitigate safety hazards for marina patrons. Unassigned funds are requested as a result of the immediate need for funding.

ENCLOSED DOCUMENTS:

- None

SUMMARY:

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Debbie Randolph, Ward #1	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Vice Mayor John B. Partin, Ward #3	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Patience Bennett, Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Jasmine Gore, Ward #4			

STAFF:

Aaron Reidmiller, Director of Recreation and Parks

Austin Anderson, City Engineer

FOR IN MEETING USE ONLY

MOTION: _____

Roll Call

SUMMARY:

Y N

- Councilor Debbie Randolph, Ward #1
- Councilor Arlene Holloway, Ward #2
- Vice Mayor John B. Partin, Ward #3
- Councilor Jasmine Gore, Ward #4

Y N

- Councilor Janice Denton, Ward #5
- Councilor Brenda Pelham, Ward #6
- Mayor Patience Bennett, Ward #7

R-4



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE:

Request to Authorize Grant Application and to Appropriate Matching Funds

ISSUE: The City Administration will pursue grant funding through the Land and Water Conservation Fund to create a new, public recreational space at the Hopewell City Marina site. The new space will support broader community access to the waterfront and introduce new and improved recreational opportunities. The funding opportunity requires a 50% match of local funds. The total project cost is estimated to be \$2,800,000. The matching requirement of \$1,400,000 can be sourced from American Rescue Plan funding that has been identified as lost public sector revenue. This includes \$530,000 in funding that is no longer needed for the Cattail Creek Stabilization Project due to other outside funding availability.

RECOMMENDATION: The City Administration recommends authorization to proceed with the Land and Water Conservation Fund grant application and the appropriation of \$1,400,000 in matching funds to support the application.

TIMING: Action is requested at the March 8, 2022, meeting of Hopewell City Council.

BACKGROUND: Additional outside funding sources will be sought to support the new public space at the waterfront. Additional outside funding will reduce the amount of American Rescue Plan Act funds required for the project and may allow the scope to be broadened.

FISCAL IMPACT: The City is required to provide 50% matching funding for the Land and Water Conservation Fund grant award. The matching requirement is \$1,400,000.

ENCLOSED DOCUMENTS:

- None

SUMMARY:

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Debbie Randolph, Ward #1	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Vice Mayor John B. Partin, Ward #3	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Patience Bennett, Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Jasmine Gore, Ward #4			

STAFF:

Aaron Reidmiller, Director of Recreation and Parks

Austin Anderson, City Engineer

FOR IN MEETING USE ONLY

MOTION: _____

Roll Call

SUMMARY:

Y N

- Councilor Debbie Randolph, Ward #1
- Councilor Arlene Holloway, Ward #2
- Vice Mayor John B. Partin, Ward #3
- Councilor Jasmine Gore, Ward #4

Y N

- Councilor Janice Denton, Ward #5
- Councilor Brenda Pelham, Ward #6
- Mayor Patience Bennett, Ward #7

COUNCILOR REQUESTS

ADJOURNMENT