



Staff Report

TO: City Council
FROM: Jeff Mohlenkamp, Finance Director
DATE: August 18, 2020
SUBJECT: **Adopt Amendments to the FY2021 Budget and Approve the Implementation of the Business Assistance Program and Household Assistance Program**

Background and Analysis:

During its July 7, 2020, and July 21, 2020, regular meetings, City Council discussed implementing a local COVID-19 Relief Program. The discussions focused on two separate categories of expenditures. First, is the need to maintain City services in a safe manner. Second, is assisting businesses and residents impacted by the emergency.

During the July 21, 2020, meeting City Council voted unanimously to apply for CARES Act funding in the amount of \$635,569 and to use them to reimburse payroll and payroll related expenses incurred since March 1, 2020. These funds were earmarked for the City of Beaumont through the State's adopted budget for FY2021. A budget amendment is needed to recognize the CARES Act fund allocations from the State.

Additionally, a budget amendment is necessary to allocate the funds required to fund the local COVID-19 Relief Program.

Outlined below are the components of the City of Beaumont COVID-19 Relief Program:

Elements Needed to Maintain City Services in a Safe Manner

Program Element	Amount	Description
Facility Costs	\$ 70,000	This provides funding for social distancing modifications necessary to maintain services. This includes dividers, plastic barriers,

		redesign of flow of foot traffic, retrofit of bathrooms, etc.
Police Salaries	\$ 60,000	This covers the salary costs of School Resource Officer staff due to schools operating remotely.
Information Technology Related Costs	\$ 38,000	This covers I.T. that is not deemed eligible for the FEMA application but is needed to maintain data security and reliability.
Police Lobby Kiosk	\$ 7,000	This provides for the ability to have the public conduct business with the police department with less physical interaction.
Legal Expenses	\$ 20,000	This covers legal costs for guidance received regarding the COVID-19 emergency.
Sanitization Foggers	\$ 75,000	This provides three foggers to complete enhanced sanitization of buses and buildings.
FEMA Matching Funds	\$ 31,000	This sets funds aside to cover the 25% not paid by FEMA.
Subtotal	\$301,000	

Elements Designed to Assist the Business Community and Residents

Program Element	Amount	Description
Business Assistance Program/ Small Business Assistance Grant	\$ 142,069	This provides assistance to businesses that have suffered losses due to the emergency. This will be administered as a grant program. Details are included in Attachment C of this report.
Housing Assistance Grant Program	\$ 100,000	This provides assistance to residents impacted by the emergency. Details are included in Attachment D of this report.
Restaurant Support Program	\$ 35,000	This provides for purchasing shade and barriers to help restaurants remain operational during outdoor dining requirements.
Child Care Assistance Program	\$ 50,000	This provides assistance to the Boys and Girls club to allow them to expand the number

		of children in their program during the COVID-19 emergency.
Senior Outreach Program	\$ 5,000	This provides funds to improve outreach to our seniors during this emergency.
Business Confidence	\$ 2,500	This provides branded posters to businesses to assist in social distancing guidelines.
Subtotal	\$334,569	
Total	\$635,569	

If approved, projects will be established for each of these uses of funds to track expenditures. City staff will provide reports to City Council regarding the program expenditures. Where the potential exists for FEMA reimbursement eligibility, City staff will submit expenditures for consideration. Any reimbursed funds would be available to the City Council for allocations to other uses.

In addition to the General Fund COVID-19 Relief Program described above, staff is recommending the use of Air Quality Management District (AQMD) funds to further augment the City’s response to the emergency. These funds are available to help the City move to business practices that reduce carbon emissions. AQMD funds are a recommended source of funds to address some specific needs during this emergency. Specifically, the City has the need for some additional vehicles to allow for improved social distancing for the Beaumont Police Department citizen patrol program and for permitting/inspection activities. As a result, staff is requesting the use of AQMD funds to purchase two energy efficient vehicles in FY 2021 in the aggregate amount not to exceed \$75,000. If this use of funds is approved, the AQMD funds currently available will be reduced from \$461,079 to \$386,079.

Lastly, during FY 2020, the City spent \$27,000 on information technology (I.T.) costs to mitigate the immediate technology needs to continue City business after the declared pandemic. This included computers, tablets, teleconference software, monitors, etc. City staff has received guidance that AQMD funds are eligible to support remote working requirements. Since AQMD funds are eligible to cover these costs, but they are not likely eligible for FEMA reimbursement, City staff is requesting that these costs be covered using AQMD funds. To make this change in funding source from the General Fund to AQMD, a budget amendment for FY 2020 is required. The City has also spent \$5,667 on I.T. related items to allow for social distancing during FY 2021. These adjustments further reduce the balance of available AQMD funds from \$386,079 to \$353,412.

Fiscal Impact:

If the City Council approves the receipt of CARES Act funds and launches the proposed COVID-19 Relief Program, the net impact to the General fund is zero as the City's CARES Act allocation will be equal to the City's COVID-19 Relief Program budget.

If the City Council approves the proposed budget adjustment for FY 2021 to purchase two vehicles using AQMD funds, the net cost is a use of available funds in from this source in an amount not to exceed \$75,000.

If the City Council approves the proposed budget adjustments for FY 2020 in the amount of \$32,667 in FY 2021 to cover I.T. costs with AQMD funds, the result is a reduction in General Fund expenditures of \$32,667 and an increase in expenditures from AQMD funds of the same amount.

Recommended Action:

It is recommended the City Council adopt the budget amendments and approve the implementation of business assistance and household assistance programs as follows:

1. Adjust the FY 2020-21 budget to include the receipt of CARES Act funds in the amount of \$635,569,
2. Adjust the FY 2020-21 budget to include the proposed expenditures for the COVID-19 Relief Program as highlighted in the report totaling \$635,569,
3. Adjust the FY 2020-21 budget to include the expenditure of up to \$75,000 from the AQMD fund to purchase two vehicles,
4. Adjust the FY 2019-20 budget to cover I.T. expenses related to the COVID-19 emergency using AQMD funds in the amount of \$27,000 and adjust the FY 2020-21 budget to cover I.T. expenses related to the COVID-19 emergency with AQMD funds in the amount of \$5,667,
5. Approve the implementation plan for the Business Assistance Program/ Small Business Assistance Grant, and
6. Approve the implementation of the Household Assistance Grant Program.

Attachments

- A. Proposed Budget Adjustments
- B. Project Setup for City COVID-19 Relief Program
- C. Business Assistance Program/ Small Business Grant Program
- D. Household Assistance Grant Program