



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5717
July 21, 2020
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5717: CARES Act Coronavirus Relief Funds Grant Acceptance	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
RECOMMENDED ACTION:	Accept CARES Act Coronavirus Relief Funds (CRF) grant and authorize use of CRF funds to support the City's response to the COVID-19 Pandemic.	<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Finance
STAFF:	Merrill Thomas-Schadt, EOC Grants & Time Tracking Coordinator
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

AMOUNT OF EXPENDITURE	\$ 734,100
AMOUNT BUDGETED	\$ 0
APPROPRIATION REQUIRED	\$ 734,100

SUMMARY

The City of Mercer Island was awarded \$734,100 through Washington State's Coronavirus Relief Funds ("CRF"), made available by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Acceptance of the grant funding will enable the City to allocate the funds to support the City's response to the COVID-19 Pandemic ("Pandemic"), specifically Emergency Operations Center ("EOC") operations.

BACKGROUND

On May 18, 2020, Governor Inslee announced that Washington State would award \$300 million of the State's CARES funding to local governments with less than 500,000 residents that did not receive direct distributions under the CARES Act. The funding is being distributed by the Washington State Department of Commerce.

Coronavirus Relief Funds may only be used for costs incurred by local governments in response to the COVID-19 public health emergency during the period of March 1, 2020 through October 31, 2020. The Department of Commerce further clarified that the Coronavirus Relief Funds may only be used for costs that are necessary due to the public health emergency **and** were not previously accounted for in the City's adopted budget as of March 27, 2020.

Eligible costs for reimbursement include:

1. Medical expenses, such as emergency medical response, including emergency medical transportation related to COVID-19.
2. Public health expenses, such as disinfection of public areas and other safety measures undertaken in response to COVID-19.
3. Payroll expenses for public safety, public health, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures including those which improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 emergency.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that were not previously budgeted or are a substantially different use of funds as originally budgeted.

The Department of Commerce provided written guidance and ongoing resources to local governments to assist in determining reimbursement eligibility. Staff is confident the City will recover costs for staffing the EOC, purchasing personal protective equipment and cleaning/sanitizing supplies, purchasing equipment for remote work and services capabilities, and other staff time related to ensuring compliance with public safety measures during the Pandemic response.

MERCER ISLAND EMERGENCY OPERATIONS

On March 5, 2020, the City of Mercer Island activated its EOC in response to the Pandemic. Since that time, a significant amount of staff resources and supply funding have been required to manage the City's response to the Pandemic.

Direct supply expenses include the procurement of hand sanitizer, surface disinfecting sprays, protective gloves, cloth and N-95 face masks, and thermometers. EOC equipment costs include the purchase of additional laptops and other small equipment to enable staff to work remotely. Facility costs include increased cleaning needs and modifying office spaces to adhere to the public health guidelines.

On June 2, 2020, the City Council appropriated \$496,000 from the Contingency Fund to support ongoing emergency operations through August 31, 2020. The appropriation ensured EOC operations would continue while the mechanics of how and when the State would distribute CARES Act funding was still being developed.

Due to the expected resurgence of the virus, phased re-opening of City facilities and operations, and expense tracking tied to the emergency, staff expects resources will be needed to sustain the City's Pandemic response through December 31, 2020.

Costs for staffing and supplying the City's emergency operations from March 5 through December 31, 2020 is estimated at \$842,000. The City will first utilize \$734,100 in CARES Act funding to support emergency operations in response to the Pandemic. Once CARES Act dollars are drawn down through October 31, 2020, the remaining \$107,900 of anticipated emergency operation expenses through year-end will be covered by

the City Council’s appropriation of \$496,000 of Contingency Funds, delaying and reducing the amount taken from the Contingency Fund to support EOC operations.

Emergency operation costs related to the Pandemic are summarized in the table below:

EOC Costs	Prior May 1	May	June	July-December
Level 1 EOC supplies & Services	150,000			
Level 2 DOC staff costs		74,000	74,000	444,000
Level 2 EOC supplies & services		12,500	12,500	75,000
Monthly Totals	\$ 150,000	\$ 86,500	\$ 86,500	\$ 519,000
Total EOC Operating Cost Through 20202				\$ 842,000

Staff has been closely tracking purchases, services, and staff time related to the Pandemic response and is prepared to submit these records to the State as required. Following the City Council’s acceptance of CARES Act funding, the City may begin submitting reimbursements immediately. The City can expect to receive funds between seven and 30 days after submitting a cost reimbursement request.

ADDITIONAL RESOURCES

Staff is tracking and applying for additional grant funding resources in response to the Pandemic. FEMA Public Assistance funding is a separate process and the application is currently being developed by staff and Public Assistance representatives. FEMA reimbursements for eligible costs are not expected until 2021 or later. Additionally, the City is eligible to receive approximately \$37,000 through King County CARES Act funding allocated specifically to support local businesses. Staff Liaison Sarah Bluvás is coordinating the use of these funds and will present a recommendation to the City Council at a future meeting.

RECOMMENDATION

Authorize the City Manager to accept CARES Act Coronavirus Relief Funds from Washington State in the amount of \$734,100. Appropriate the full amount to support the City’s emergency operation in response to the Pandemic through December 31, 2020.