

CITY OF YUBA CITY
STAFF REPORT

Date: July 21, 2020
To: Honorable Mayor & Members of the City Council
From: Development Services Department
Presentation by: Benjamin Moody, Development Services Director

Summary

Subject: COVID-19 CARES Act Funding Expenditures

Recommendation: A. Amend Fiscal Year 20/21 budget to reflect federal CARES Act revenue in the amount of \$869,954 and authorize the Finance Director to make a supplemental revenue appropriation to revenue account 235-41132 to allocate the funding for use in accordance with federal and state guidelines.

B. Authorize the Finance Director to make a supplemental appropriation and related transfers to Account No. 2350 in the amount of \$869,954 in order to expend CARES Act funding.

C. Provide staff direction for priority allocation of CARES Act funding.

Fiscal Impact: \$869,954 – CARES Act Funds (No local match required)

Purpose:

To utilize federal stimulus funds for public health and safety improvements in response to the COVID-19 pandemic.

Background:

On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of COVID-19, also known as coronavirus, in the State of California. The spread of the virus globally, including in California, resulted in the World Health Organization characterizing the viral outbreak as a pandemic on March 11, 2020. On March 24, 2020, the City of Yuba City declared the COVID-19 outbreak a local emergency as well.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act has allocated funds in the amount of \$869,954 to the City of Yuba City for public health and safety responses to the COVID-19 event. On July 7, 2020, Council authorized the City Manager to sign and submit the necessary documentation to secure this funding for the City.

Analysis:

The CARES Act funding may be specifically utilized for non-budgeted COVID-19-related expenses made between March 30 and December 30, 2020, such as:

- Facility improvements and modifications
 - Fire Department COVID-19 decontamination buildings
 - Germ shields for social distancing at public facilities
- Public services
 - Outreach efforts
 - Community grants/loans
- Materials and supplies
 - Personal Protective Equipment
 - Decontamination equipment
- Staffing needs
 - Public safety staff payroll
 - Telework infrastructure
 - Part-time staff to handle COVID-19 efforts

The CARES Act funding has an expenditure plan reporting deadline of September 2020 and an expenditure deadline of October 30, 2020, with an extension up to December 30, 2020. The funding has a reporting deadline/expenditure plan by September 2020

While staff have identified a number of potential projects and expenditures applicable to the CARES Act, the highest eligible expenditure is payroll for public safety staff, as emergency personnel have been utilized for COVID-19 response since the CARES Act's applicable start date of March 30, 2020. **Between March 30 and December 30, 2020, the City will have 20 full pay periods, with a total expenditure of approximately \$19 million in public safety staff payroll, far exceeding the available CARES funds.**

Fiscal Impact:

The \$869,954 in CARES Act funding does not have a local match requirement. At this time, staff expects that funding will be received in six equal payments between July and December 2020. Expenditures will need to be tracked and meet all state and federal guidelines, or jeopardize the repayment of these funds.

Alternatives:

Do not utilize CARES Act funding.

Recommendation:

- A. Amend Fiscal Year 20/21 budget to reflect federal CARES Act revenue in the amount of \$869,954 and authorize the Finance Director to make a supplemental revenue appropriation to revenue account 235-41132 to allocate the funding for use in accordance with federal and state guidelines.
- B. Authorize the Finance Director to make a supplemental appropriation and related transfers to Account No. 2350 in the amount of \$869,954 in order to expend CARES Act funding.
- C. Provide staff direction for priority allocation of CARES Act funding.

Prepared by:

/s/ Scarlett O. Harris

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/s/ Diana Langley

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