

AGENDA ITEM SUMMARY

July 28, 2020

City Council

STAFF

SeonAh Kendall, Economic Health Manager
Blaine Dunn, Senior Treasury Analyst
Ryan Malarky, Legal

SUBJECT

Emergency Ordinance No. 094, 2020, Appropriating Unanticipated Revenue in the General Fund from the Coronavirus Relief Fund (CVRF), CARES Act, Title V.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate the City Coronavirus Relief Fund (CVRF) allocation in an emergency ordinance due to the immediate exigency in addressing COVID-19. The City has incurred significant expenditures in its response to the COVID-19 public health emergency and anticipates further costs as COVID-19 continues to have health, social and economic consequences. Any remaining CVRF funds will be utilized to address social and economic recovery in our community. Emergency ordinances are authorized under the Charter in emergency circumstances and require the affirmative vote of at least five (5) members of the Council for passage.

STAFF RECOMMENDATION

Staff recommends adoption of the Emergency Ordinance.

BACKGROUND / DISCUSSION

On May 18, 2020, Governor Polis signed [Executive Order D2020 070](#), Directing the Expenditure of Federal Funds Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to establish the Coronavirus Relief Fund (CVRF). Through the Colorado Department of Local Affairs (DOLA), this fund will reimburse costs to counties, municipalities and special districts that:

1. Are necessary expenditures incurred due to the COVID-19 emergency;
2. Are not accounted for in the local government's budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act);* and
3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

*The one exception is payroll expense for staff such as public safety, human services and similar employees whose service were **substantially dedicated** to mitigating or responding to the COVID-19 public health emergency.

Intent

The City has incurred, **and expects to continue to incur**, increased expenditures due to its COVID-19 emergency response. The requirement that expenditures be incurred "due to" the public health emergency means expenditures must be used for actions taken to respond to the public health emergency. Costs incurred by the City from March 1, 2020 - December 30, 2020 are reimbursable, **as long as those items were not budgeted as**

of March 27, 2020. The CARES CVRF does not allow for municipality revenue backfill/replacement, including the direct replacement of unpaid utility fees or tax obligations.

The City's \$9,015,692 CARES CVRF allocation is one component of the City's overall recovery goals. Moreover, CVRF is to be deployed for the health and safety of our community and region, while advancing the City's strategic plan. Eligible expenditures are in service for the overall community recovery.

Per the Intergovernmental Agreement (IGA) with Larimer County and surrounding communities (Resolution 2020-059), the City is committed to conferring in September 2020 to share information on the progress and utilization of funds and to consider adjustments to the allocation in the event the parties do not reasonably expect to utilize all of the allocated funds.

Eligible Expenditures

Direct City-incurred expenditures to address the public health emergency. These costs advance community safety and recovery:

- Payroll expenses for public safety, human services and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- Expenses for communication of the public health orders.
- Expenses for medical and protective supplies, including sanitizing products and personal protective equipment.
- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
- Expenses for providing paid sick and paid family and medical leave to public employees.
- Expenses related to supporting regional health initiatives, such as increased testing support through regional partners.
- Expenses to facilitate compliance with COVID-19-related public health measures **for our residents** and social recovery include:
 - Rental or mortgage assistance to avoid eviction or foreclosure.
 - Utility payment assistance to continue to receive essential services.
 - Food delivery to residents, including, for example, senior citizens and other vulnerable population.
 - Facilitation of distance learning and remote working, including technological improvements.
 - Emergency sheltering for people experiencing homelessness to mitigate COVID-19 effects and enable social distancing compliance.
- Expenses associated with the provision of economic recovery in support of **our business community** comprises:
 - Provision of grants to small businesses with the costs of business interruption caused by required closures.
 - Reimbursement of the Fort Collins Main Street Loan Program loan-loss reserve.
 - Expenses incurred to publicize the resumption of tourism activities and steps taken to ensure a safe experience.

Sector	Direct City Response	Residents	Businesses
Proposed Distribution	28%	42%	30%
Expended	\$558,000	\$233,000	\$165,000
Available Funds	\$2,010,000	\$3,510,000	\$2,539,000
Total	\$2,567,692	\$3,743,000	\$2,705,000

Process for Social and Economic Recovery Grants

As subrecipients of the City's CVRF, eligible organizations and entities will need to apply for awards and meet the same eligibility and intent as defined by the US Treasury for the CARES CVRF. Staff is currently developing Frequently Asked Questions (FAQs) and grant criteria. The Recovery Policy Group will prioritize and provide direction and oversight of the grants, and report monthly to Council on grantees and awards.

CITY FINANCIAL IMPACTS

The City's general fund is eligible for an estimated \$1 million in reimbursements related to costs incurred to date to address the COVID-19 public health emergency. These expenditures include payroll for public employees such as:

- Redeployment of City staff whose duties were "substantially different" from their ordinary responsibilities.
- Public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the public health emergency; and
- Emergency Family and Medical Leave (EFML) and Emergency Paid Sick Leave (PSL) to enable compliance with COVID-19 public health precautions.
- Safety, sanitation products and personal protective equipment.
- Communication and website development of nocorecovers.com and forfortcollins.com to support residents and businesses with one-stop-shop resources.

The remainder of the CVRF funds will be used as described above, including the reimbursement of expenses the City has not yet incurred. Based on the guidance, the funds cannot be used for revenue backfill and will therefore be used for new expenses incurred due to COVID-19.

ATTACHMENTS

1. CARES Funding IGA with Larimer County (PDF)
2. CARES Allocation Research (PDF)
3. CARES Data Information (PDF)
4. Powerpoint Presentation (PDF)