



Board Report

File #: RES 20-074, **Version:** 1

Adopt a resolution authorizing and directing the Auditor-Controller to amend: 1) FY 2019-20 Office of Emergency Services Adopted Budget, Fund 001, Appropriation Unit CAO005, to increase appropriations by \$3,000,000 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for COVID-19 Novel Coronavirus, financed by a corresponding release of \$3,000,000 from the Cannabis Tax Assignment, BSA 001-3132, and 2) FY 2019-20 Department of Social Services-Community Programs Adopted Budget, Fund 001, Appropriation Unit SOC004-8252, to increase appropriations by \$529,538 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for COVID-19 Novel Coronavirus related to the Project RoomKey Program, financed by a corresponding release of \$529,538 from the Cannabis Tax Assignment, BSA 001-3132 (4/5th vote required). (ADDED VIA ADDENDA)

RECOMMENDATION:

The Office of Emergency Services requests that the Board of Supervisors adopt a resolution authorizing and directing the Auditor-Controller to amend: 1) FY 2019-20 Office of Emergency Services Adopted Budget, Fund 001, Appropriation Unit CAO005, to increase appropriations by \$3,000,000 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for COVID-19 Novel Coronavirus, financed by a corresponding release of \$3,000,000 from the Cannabis Tax Assignment, BSA 001-3132, and 2) FY 2019-20 Department of Social Services-Community Programs Adopted Budget, Fund 001, Appropriation Unit SOC004-8252, to increase appropriations by \$529,538 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for COVID-19 Novel Coronavirus related to the Project RoomKey Program, financed by a corresponding release of \$529,538 from the Cannabis Tax Assignment, BSA 001-3132 (4/5th vote required).

SUMMARY/DISCUSSION:

On December 31, 2019, the first confirmed case of COVID-19 was reported in Wuhan, China; The State of California reported its first case of COVID-19 on January 26, 2020. The County of Monterey (County) activated its Emergency Operations Center (EOC) at level 3 (lowest level) two days prior to California proclaiming a statewide emergency on March 4, 2020. The County proclaimed a local emergency on March 6, 2020. Governor Newsom issued Executive Order EO-N-25-20 on March 12, 2020, followed by The President of the United States (POTUS) declaring a National Emergency on March 13, 2020.

The Stafford Act authorizes POTUS to provide Federal assistance when the magnitude of an incident exceeds the affected local government's capabilities to respond or recover. In accordance with section 502 of the Stafford Act 42 U.S.C 5121-5207, eligible emergency protective measures taken in response to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of the Federal Emergency Management Act (FEMA) Public Assistance Program. Attachment A provides a detailed listing of eligible items covered under this declaration. FEMA assistance is provided at a minimum of 75 percent (75%) federal cost share and 18.75 percent (18.75%) state cost share by the Governor's Office of Emergency Services (CalOES). The County Office of Emergency Services (County OES) submitted a Request for Public Assistance on March 24, 2020. FEMA reimbursement funding for County emergency response expenditures is not guaranteed; all claims from the County must be found reasonable and appropriate and conform to FEMA's documentation and processing requirements to be determined eligible for reimbursement.

The EOC has been industriously working to establish several Alternate Care Sites (ACS) throughout the County, including the procurement of disinfectants, Personal Protective Equipment (PPE), and cleaning supplies. The EOC has identified six ACS to care for constituents most vulnerable to COVID-19 or who have tested positive for COVID-19 and do not require hospitalization but cannot return home due to risk of exposing others to the virus. Currently, the identified facilities include the Monterey Fairgrounds, Marina Airport, San Lorenzo Park, Salinas Valley Fairgrounds, Sherwood Hall, and one hotel in Marina. While EOC continues to identify potential ACS, the Monterey Fairgrounds, the hotel and San Lorenzo Park facilities are now prepared for operation, while the remaining three identified sites are in progress of being built out.

As of this writing, a total of \$1,949,944 in expenditures through the Office of Emergency Services EOC has been identified toward this event (Attachment B), of which \$1,801,140 has been associated with contracted services toward partition rentals, meal preparation, security, linens, call center, and janitorial. Additional purchases totaling \$148,804 have been incurred associated with PPE, disinfectant, cleaning supplies, equipment, and related expenses. Most commitments and expenditures were procured using credit cards by Logistics staff; most have not been processed yet in the County's financial system. The total amount committed, to date, covers expenditures known at the time of this reporting.

The County Department of Social Services is responsible for coordinating the County's Project RoomKey alternate housing strategy. Project RoomKey is a state-mandated program in partnership with the Federal Emergency Management Agency designed to protect very vulnerable homeless individuals from COVID-19 and to protect local hospitals more broadly from surges that challenge their capacity. Each California county is tasked with setting up self-isolation facilities in local hotels to quarantine transients who have underlying health conditions making them vulnerable to COVID-19 or homeless people who either have tested positive for the coronavirus or have symptoms associated with the disease. Individuals who opt into the RoomKey Program are under 24/7 isolation. All healthcare and food services are done on premise. Attachments E reflects Social Services' estimated budget of \$706,050 for this RoomKey Program. The Department of Social Services is requesting the balance of appropriations in the amount of \$529,538 today.

Other expenditures related to COVID-19 are those procured by County Departments within their existing appropriations. Attachment C provides a summary of encumbrances and expenditures processed in the County's Advantage Financial System as of May 6, 2020. Regular salaries have been excluded from this report as these costs are not eligible for FEMA reimbursement. Some costs incurred by County Departments may be eligible for reimbursement by grant funds that have been awarded to County Departments. Attachment D provides a summary by Department of these grant awards to date. The Auditor-Controller, as the recovery agent for the County, will work with EOC Finance and the County Finance Managers to ensure that there is no duplication in requests for reimbursement.

County OES requests the Board adopt a resolution to amend 1) the FY 2019-20 Office of Emergency Services Adopted Budget, Fund 001, Appropriation Unit CAO005, to increase appropriations in the amount of \$3,000,000 to cashflow EOC expenditures for eligible COVID-19 emergency protective measures, excluding non-overtime staff costs. This report is requesting an increase in appropriations associated with commitments and expenditures incurred only by County EOC; 2) FY 2019-20 Department of Social Services-Community Programs Adopted Budget, Fund 001, Appropriation Unit SOC004-8252, to increase appropriations by \$529,538 for costs related to the Project RoomKey Program, such as lodging, security, meals, transportation and laundry service, equipment, materials and supplies, such as PPE, disinfectant, etc. Staff recommends the use of Cannabis revenues in the amount of \$3,529,538 as the financing source to cashflow these expenditures, of which FEMA may, but not guarantee, reimbursement of 75 percent (75%) of eligible expenditures; 18.75

percent of the remaining 25 percent may be eligible for reimbursement by CalOES, leaving the County to bear the remaining 6.25 percent (6.25%) of the costs.

OTHER AGENCY INVOLVEMENT:

EOC continues to work closely with the County Administrative Office, Auditor-Controller, Health Department, and Department of Social Services in setting up accounting systems and tracking expenditures, identifying ACS, and procuring essential ancillary services, materials, and supplies. EOC is actively working with the State of California, California Army National Guard, United Way Monterey County, The Coalition of Homeless Services Providers, Area Agricultural Businesses, Grower-Shipper Association of Central California, and with all Cities within the County to discuss resource needs and response related to COVID-19 outbreak.

FINANCING:

The FY 2019-20 Adopted Budget did not include funding for COVID-19. The County activated its EOC to establish emergency protective measures related to COVID-19 addressing immediate threats to life, public health, and safety. As of the date of this report the EOC has made financial commitments totaling \$1,949,944 through the end of May 2020 to establish ACS. Additional expenditures, yet to be identified, will be incurred to complete site buildout for Sherwood Hall, Salinas Valley Fairgrounds, Marina Airport, and acquire additional hotel sites. Staff requests the Board authorize the release of \$3,529,538 from the Cannabis Tax Assignment, BSA 001-3132 to finance expenditures incurred through the EOC, Fund 001, Appropriation Unit CAO005, to set up and operate these ACS in the amount of \$3,000,000, and Department of Social Services-Community Programs Adopted Budget, Fund 001, Appropriation Unit SOC004-8252, to increase appropriations by \$529,538. These expenditures may be eligible for reimbursement of up to a minimum of 75 percent by FEMA and 18.75 percent by the State but are not guaranteed.

Some activities may be eligible through both FEMA and other federal agency funding sources for COVID-19, including the U.S. Department of Health and Human Services Centers for Disease Control and Prevention and Office of the Assistant Secretary for Preparedness and Response. Additional grant funds that County Departments have received related to COVID-19, if applicable, may offset the County's 6.25 percent (6.25%) of costs (Attachment D).

The Cannabis Tax Assignment fund balance projection as of June 30, 2020 is \$27,698,727; should the Board approve the release of \$3,000,000, the adjusted projection is \$24,169,189 at June 30, 2020.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

If approved, the recommendation will allow the County to take essential action to protect public health and safety pursuant to public health guidance and conditions. This recommendation supports the Board of Supervisors' Health and Human Services Initiatives and Public Safety.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Dewayne Woods, Assistant County Administrative Officer

Attachments:

Attachment A- FEMA-Eligible Emergency Protective Measures

Attachment B- Emergency Operations Commitments and Expenditures 05-04-20

Attachment C-COVID-19 Processed Expenditures by Department Reported in Advantage 05-04-20

Attachment D-Summary of COVID-19 Grant Awards by County Department

Attachment E-Department of Social Services RoomKey Program Budget

Attachment F-Draft Resolution

(Attachments are on file with the Clerk of the Board)