



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: RES 20-144, Version: 1

To be addressed with the COVID presentation:

Adopt a resolution authorizing and directing the Auditor-Controller to amend: 1) FY 2020-21 Office of Emergency Services Adopted Budget to increase appropriations by \$11,768,236 for the County of Monterey Emergency Operations Center's response to the local emergency for COVID-19, financed by \$4,883,601 from Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and a release of \$6,884,635 from the Cannabis Tax Assignment; 2) FY 2020-21 Department of Social Services-Community Programs Adopted Budget, to increase appropriations by \$250,000 for the County of Monterey Emergency Operations Center's response to the local emergency for COVID-19 related to the Food Bank for Monterey County, financed by a corresponding release of \$250,000 from the Cannabis Tax Assignment; and 3) FY 2020-21 Non-Program Revenue CAO, to increase revenue by \$4,883,601 where the financing source is CARES Act (4/5th vote required).

RECOMMENDATION:

The Office of Emergency Services and Department of Social Services requests that the Board of Supervisors: Adopt a resolution authorizing and directing the Auditor-Controller to amend: 1) FY 2020-21 Office of Emergency Services Adopted Budget, Fund 001, Appropriation Unit CAO005, to increase appropriations by \$11,768,236 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for COVID-19 Novel Coronavirus, financed by \$4,883,601 from CARES Act and a release of \$6,884,635 from the Cannabis Tax Assignment, BSA 001-3132; 2) FY 2020-21 Department of Social Services-Community Programs Adopted Budget, Fund 001, Appropriation Unit SOC004-8258, to increase appropriations and revenues by \$250,000 for the County of Monterey Emergency Operations Center's response to the local emergency declaration for the COVID-19 Novel Coronavirus related to the Food Bank for Monterey County, financed by a corresponding release of \$250,000 from the Cannabis Tax Assignment, BSA 001-3132; and 3) FY 2020-21 Non-Program Revenue, Fund 001, Appropriation Unit CAO019, to increase revenue by \$4,883,601 where the financing source is CARES Act (4/5th vote required).

SUMMARY/DISCUSSION:

When the President of the United States (POTUS) declared a National Emergency on March 13, 2020 due to the COVID-19 pandemic, this declaration triggered section 502 of the Stafford Act 42 U.S.C 5121-5207, enabling reimbursement of eligible emergency protective measures under category B by the Federal Emergency Management Act (FEMA) Public Assistance Program. On March 24, 2020 the County submitted its Request for Public Assistance that enables the County to file, through Cal/OES, project worksheets for reimbursement by FEMA of up to seventy-five percent (75%) of eligible expenditures. In May 2020, the County filed an expedited streamlined project application in the amount of \$3,399,176. On June 29, 2020, FEMA determined \$1,105,956 as the best available cost (most up to date costing information available) and obligated seventy-five percent (75%) or \$829,467.

On May 12, 2020, the Board authorized the release of \$3,000,000 from the Cannabis Tax Assignment, BSA 001-3132 to be used for the County of Monterey Emergency Operations Center's (EOC) response to the local emergency declaration for Fiscal Year (FY) 2019-20. While the staff is in the process of closing out FY 2019-20, of the \$3,000,000 authorized, staff estimates total expenditures incurred by the EOC in response to COVID-

19 is \$2,237,400. The CAO Budget Office will only transfer funds equal to the amount of funds spent, any unspent funds authorized will be transferred back to the Cannabis Tax Assignment.

The EOC continues to expand its Alternate Housing Sites (AHS) throughout the County based on needs, as well as procuring disinfectants, Personal Protective Equipment (PPE), and cleaning supplies. Currently the EOC has one active (1) congregate and fourteen (14) non-congregate AHS 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.

As of this writing, a total of \$2,237,400 is estimated to have been spent in FY 2019-20 through the EOC towards this event, and it is estimated that the EOC will expend an additional \$11,768,236 between July 1, 2020 through December 31, 2020, of which \$7,337,676 is associated with contracted services such as Coalition of Homeless Services Providers (CHSP), hotels, partition rentals, meals, transportation, security, and janitorial; \$3,191,198 is for Great Plates Delivery (GDP); and \$1,239,361 is associated with media, PPE, disinfectant, cleaning supplies, equipment, and related expenses. The total estimate covers expenditures known at the time of this reporting based on current services being provided as depicted in Attachment A.

County OES requests the Board adopt a resolution to amend the FY 2020-21 Office of Emergency Services Adopted Budget, Fund 001, Appropriation Unit CAO005, to increase appropriations in the amount of \$11,768,236 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 estimated commitments and expenditures incurred by the County EOC. Staff recommends the use of Cannabis revenues as the financing source to cashflow those expenditures anticipated to be reimbursed by FEMA or the State of California. Attachment A reflects the estimated financing sources available for reimbursing incurred expenditures, assuming the expenditures qualify as eligible and reasonable under the Federal and State guidelines.

On June 23, 2020, the Board agreed to provide the Food Bank for Monterey County (FB) with an additional \$250,000 (inclusive of any agreement with the Emergency Operations Center Emergency Management Agency funding) as bridge funding while the independent assessment is completed. Staff recommends the use of Cannabis revenues as the financing source to cashflow these expenditures, of which FEMA may reimburse a minimum of 75 percent (75%) of eligible expenditures; leaving the County to bear the remaining 25 percent (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 AHS, 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 2020-21 Adopted Budget for the Office of Emergency Services (OES) 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. The EOC has made financial commitments totaling \$2,237,400 through the end of June 30, 2020. Additional expenditures anticipated to be incurred by the EOC between July 1, 2020 through December 31, 2020 total \$11,768,236. Staff requests the Board to approve

the use of \$4,883,601 from CARES Act and authorize the release of \$6,884,635 (\$6,579,573 [FEMA] + \$305,062 [State]) from the Cannabis Tax Assignment, BSA 001-3132 to finance expenditures anticipated to be incurred through the EOC, Fund 001, Appropriation Unit CAO005, to set up and operate these AHS, GDP and other related purchases associated with the COVID 19 pandemic. These expenditures of \$11,768,236 may be eligible for reimbursement by CARES Act, FEMA, and the State assuming they meet the eligibility criteria established.

The FY 2020-21 Adopted Budget for the Department of Social Services did not include funding for COVID-19. Staff requests the Board authorize the release of \$250,000 from the Cannabis Tax Assignment, BSA 001-3132 to finance the additional funding to the Food Bank for Monterey County.

The Cannabis Tax Assignment uncommitted fund balance projection as of August 25, 2020 is \$18,719,797; should the Board approve the release of \$7,134,635 (\$6,579,573 [FEMA] + \$305,062 [GPD] +\$250,000 [FB]), the adjusted projection would be \$11,585,162.

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
- X Health & Human Services
- Infrastructure
- X Public Safety

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Reviewed by: Dewayne Woods, Assistant County Administrative Officer

Approved by: Charles J. McKee, Director of Emergency Services, County Administrative Officer

Attachments:

Attachment A- Emergency Operations Center COVID 19 Estimated Expenditures

Attachment B-Resolution