



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** August 6, 2020

Staff Contact: Sheri Russell, Chief Financial Officer

Agenda Title: For Possible Action: Discussion and possible action regarding a Plan of Expenditure for \$10,211,415 that the State of Nevada has granted to Carson City through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. (Sheri Russell, srussell@carson.org)

Staff Summary: Through the CARES Act, the State of Nevada has allocated \$10,211,415 in Coronavirus Relief Funds ("CRF") to Carson City. Staff presented the Plan of Expenditure informally at the July 16th, 2020 meeting, and has prepared this preliminary Plan of Expenditure for the Board of Supervisor's consideration and approval. The State required a signed Eligibility Certification, signed Terms and Conditions for Local Governments, as well as a Plan of Expenditure before releasing the first half of the City's allocation. Staff submitted these items to the State of Nevada on July 21, 2020. Approval of the Plan of Expenditure today will allow the City to award funding, as indicated in the Plan of \$1,550,000 to the Carson City School District ("CCSD"), \$1,850,000 to Carson Tahoe Hospital ("CTH") and \$200,000 to Eagle Valley Care Center, LLC ("Eagle Valley"), a long term care facility, through memorandums of understanding. On August 20, 2020, staff will bring the recommended non-profit organization awards and a Final Plan of Expenditure before the Board of Supervisors for approval.

Agenda Action: Formal Action / Motion **Time Requested:** 15 Minutes

Proposed Motion

I move to approve the Plan of Expenditure and award \$1,550,000 to the Carson City School District, \$1,850,000 to the Carson Tahoe Hospital, and \$200,000 to Eagle Valley Care Center.

Board's Strategic Goal

Efficient Government

Previous Action

7/16/20 - Staff presented the Plan of Expenditure informally.

Background/Issues & Analysis

The CARES Act, Public Law 116-136, was signed on March 27, 2020. Carson City received notification on June 11, 2020 that it would receive \$10,211,415 in CRF, which is considered federal financial assistance, not a grant. The CRF will be included on the Schedule of Federal Awards as part of the City's annual compliance audit. Since June 11, 2020 staff has received estimates from the City, CCSD, CTH and Eagle Valley in order to develop a Plan of Expenditure, in accordance with the direction received from the Board of Supervisors. Staff received guidance on July 11, 2020 as to the State of Nevada's requirements to release funds to the City. Per the State's direction, Carson City provided the necessary documents to the State so that the State could award the first half of the CRF, as discussed with the Board of Supervisors at the July 16, 2020 Board meeting. A preliminary Plan of Expenditure was provided to the State of Nevada on July 21, 2020, and is presented today

for Board of Supervisors' consideration and approval. Staff would like to award CCSD, CTH and Eagle Valley as soon as possible, as the funds must be spent by December 30, 2020. After an opportunity for the non-profits in Carson City to submit proposals to the City, staff will bring the recommended non-profit organization awards and the final Plan of Expenditure to the Board of Supervisors on August 20, 2020 for the Board's consideration and approval. The final plan of expenditure can be submitted by September 1, 2020 in order to receive the second half of the funds from the State.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: There is no fiscal impact to the City as any expenses incurred pursuant to the approved Fund Expenditure Plan will be fully funded from the CRF. A Memorandum of Understanding will be signed with the CCSD, CTH and Eagle Valley, so they can start submitting costs for reimbursement.

Is it currently budgeted? No

Explanation of Fiscal Impact: As the City was just advised on this funding on June 11, 2020, it was not included in the original Fiscal Year 2021 Budget. Staff will be augmenting the budget for the federal financial assistance during the first round of budget augmentations.

Alternatives

Alter Plan of Expenditure

Attachments:

[CRF Expenditure Plan - State Submitted 7-21-20.pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)



Coronavirus Relief Fund – Carson City \$10,211,415

Fund Expenditure Plan

Problem Statement explaining why funds are needed:

Carson City is taking extraordinary measures to protect its residents during the COVID-19 pandemic while continuing to provide the basic services the community relies on. The impacts from this pandemic were unprecedented and the necessary expenditures in order to respond to this public health emergency were not accounted for in the City's budget. Funding from the Coronavirus Relief Fund will help Carson City cover the immediate impacts of the COVID-19 emergency and its continued response and recovery efforts. Furthermore, economic effects have been significant, and City schools, hospital, long-term care facilities, non-profits and businesses need funding assistance to facilitate compliance with public health measures.

Some of the funding needs (both direct costs to the City and indirect costs to the community) are listed below:

1. Carson City will be purchasing personal protective equipment and sanitation supplies for Citywide distribution to ensure the safety of public employees, hospital employees, businesses, patrons, adults and children.
2. Carson City has scheduled plexiglass improvement projects for City buildings which are open for services to protect the public as well as employees. The City implemented telework policies, purchased hardware and software in order to keep employees working and the City operating, while ensuring the safety of the City's employees. City Health, Police, Fire, and Ambulance Department staff were involved with the activation of the Quad-County Emergency Operations Center (EOC), testing and contract tracing, and compliance issues, and have been responding to increased calls from the public which puts them at a higher risk of exposure.
3. The Carson City School District has been working on their re-opening plan to bring students back to school on block schedules in mid-August. Schools are known for easily passing germs between children, and they have several needs in order to meet social distancing requirements and provide distance learning, so students don't fall behind in school.
4. As a secondary effect of schools and daycares being closed, working parents are trying to retain their jobs while simultaneously being a teacher and full-time caregiver to their children, and businesses are effectively paying parents to teach their children instead of to work. Therefore, another priority is to safely increase available childcare when the school year starts as school reopening plans have restricted class schedules.
5. The Carson Tahoe Hospital erected a tent in their parking lot and hired an army of nurses to provide COVID-19 screenings. They transitioned their professional staff to work remotely and

also need personal protective equipment. Additionally, they have lost revenues as their elective surgery work was shut down but have not laid off any of their employees.

Estimate amount of funds required to meet this need:

Carson City:

Plexiglass Projects Citywide	\$ 784,500
Library Hands Free Operation	175,500
Healthcare Equipment and PPE	190,000
Additional Sanitation Needs	100,000
Personal Protective Equipment	50,000
EOC Salaries and Meals	250,000
Information Technology Needs	161,000
Public Safety and Health Salaries	<u>2,900,415</u>
Total Carson City	\$ 4,611,415

School District:

Nurses Office Redesign	\$ 32,705
Personal Protective Equipment	65,000
Small Equipment for Safety	16,500
Additional Sanitation Needs	64,795
Bus Reconfigure Technology	300,000
Plexiglass Projects and Signage	200,000
Distance Learning Needs	<u>871,000</u>
Total School District	\$ 1,550,000

Carson Tahoe Hospital:

Travel Nurses	\$ 1,082,000
Meals for Tent Workers	5,000
Additional Cleaning Supplies	5,000
Personal Protective Equipment & Medical Supplies	561,000
Computer Equipment for Tent & Work at Home	97,000
Retrofits & Plexiglass installation	70,000
Rental of Tent & Port-a-potty	<u>30,000</u>
Total Carson Valley Hospital	\$ 1,850,000

Long Term Care Facility:

Retrofit and Plexiglass installation	\$ 200,000
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Non-Profit:

Set-aside dollars for Non-profits

to help the community \$ 1,000,000

Businesses:

Personal Protective Supplies for
Distribution \$ 1,000,000

Total expected Distribution \$10,211,415

Use of Funds:

Carson City proposes to use Coronavirus Relief Funds to both respond directly to the COVID-19 public health emergency and for indirect expenses. Based on the estimate of funds needed above, below please find a brief overview of how the funds will be spent for each entity/category.

Carson City: All expenses included were not budgeted and were not contemplated prior to the current emergency with the exception of Health and Public Safety employees, who are excluded from the budget rule, as all of their work is deemed to be directly related to the Health emergency. The City implemented Webex software in order to hold virtual meetings for the Board of Supervisors and other committees and commissions, with the ability to get public comment--the public is not currently permitted to attend public meetings. Carson City proposes to use the funding to reconfigure the City's meeting rooms in order to accommodate social distancing requirements on the dais for the Board of Supervisors, and other boards and committees, as well as to allow the public to attend the public meetings in person. A secondary effect of the pandemic required the placement of several Sani-huts around the City and at Parks to serve the homeless population as businesses with restroom services were closed. Lastly, during the activation of the Quad-County EOC it was vital for the members of the EOC and the Health Department to remain onsite and isolated for health reasons. Therefore, lunches were brought onsite for a period of time to ensure these critical functions remained operational.

School District: Carson City School District proposes to use the funding to cover expenses related to social distancing improvements to the schools, bus safety reconfiguration, personal protective supplies, cleaning supplies, and distance learning costs. Distance learning costs includes Pearson Online and Edgenuity Online, as well as various hot spots, messaging, google meetings and zoom needs. None of these expenses are being reimbursed by other federal or state funds.

Carson Tahoe Hospital: In response to the pandemic, Carson Tahoe Hospital brought in an army of traveling nurses and rented a tent to facilitate an outdoor facility for testing and screening patients. Office staff were transitioned to working from home if possible. Laptops and telecommuting software are being purchased. The use of Personal Protective Equipment for hospital staff as well as those working in the tent has increased dramatically. Food for nurses working in the tent was brought in as the hospital wanted to protect the nurses from exposure. Additionally, the hospital rented port-a-potties for use of the public during testing events.

Long-Term Care Facility: One facility has requested funding for a social distancing improvement project in order to create an area to isolate exposed or positive residents. The project is \$200,000 for remodeling 11 units in one wing of the building, including installing personal rest rooms and showers instead of a communal restroom. The project includes remodeling a courtyard to isolate residents.

Non-Profit Distribution: Carson City proposes allocating \$1,000,000 to Non-Profit Agencies throughout the community that continue to provide community assistance during the COVID-19 public health emergency. For example, the Boys and Girls Club has been working closely with the school district on programs for students that are unable to be physically present at school due to social distancing requirements. The program to distribute funds to Non-Profit Agencies will work similar to the CDBG program; the City will advertise the available dollars and require a letter of interest, a budget and a plan of expenditure from the Non-Profit Agency. Once these three documents are received, the City will determine the allocation of the funds through an Audit Work Group before proposing recommended funding to the Board of Supervisors, which will approve the funding.

Businesses: The City worked closely with the Chamber of Commerce and Culture and Tourism Authority in Carson City to determine needs for the business community. Through a survey, the Chamber determined that businesses want personal protective supplies. Carson City is proposing to use \$1,000,000 to purchase masks (washable and disposable), gloves (differing sizes), hand sanitizer and other sanitation supplies in bulk and distributing them to businesses, as well as to maintain a supply for use of the City. The City will use space in one of its warehouses and will hire a part time person to organize and distribute the supplies.

Ensure all expenses meet Federal Guidance:

Carson City has been working with the National Association of Counties and keeping up to speed on the provisions of the CARES Act. Currently, workshops and training sessions are not providing new information, which indicates that the City is doing an excellent job of keeping up with the changes to the funding provisions. Carson City recently received confirmation that Health and Public Safety employees' salaries can be covered by the CARES Act regardless of whether the salaries are budgeted. Carson City has enough in Health and Public Safety salaries to absorb the entire \$10.2 million in CARES funding. Regardless, Carson City would prefer a broader distribution of the CARES Act funds throughout the community, and therefore will only request a percentage of health and public safety salaries to be reimbursed.

Carson City regularly receives in excess of \$750,000 in Federal Funds; therefore, as required by federal law, Carson City has all of the necessary internal controls and systems in place for tracking expenses related to Federal Grants. CARES Act funds will be distributed on a reimbursement basis to those entities to which the Carson City will be providing funding. Each entity will be required to provide a summary of expenses for which reimbursement is requested on the applicable State form, and must provide supporting invoices, payroll related documentation, and proof of payment. Carson City will carefully review the expenses and documentation provided for compliance with CARES Act guidance before distributing funds. Carson City is requesting that documentation of expenses be provided to the City on a monthly basis, before the 7th of the month. This will allow the City to provide monthly reports to the State by the 10th of the month. Due to the short timeframe required for reporting, expenses that are not allowed will be adjusted on the City's report for the following month. To close out the funding, Carson City is requesting that entities receiving CARES Act funding from the City spend the money before December 30, 2020 and provide proof of payment by the January 7th deadline, which will provide for a smooth closeout. Given the large amount of Carson City Health and Public Safety salaries, the City does not anticipate having unspent dollars. In the event that dollars remain unspent, the dollars will be returned to the State as required.