



Office of the City Manager

April 27, 2020

To: Budget and Finance Policy Committee
From: Dee Williams-Ridley, City Manager
Subject: COVID-19 Pandemic Response Financial Overview

Overview

The purpose of this memorandum is to provide the Budget and Finance Committee an overview of the costs attributed to the City's response to the COVID-19 pandemic. The Emergency Operations Center (EOC) was activated in January 2020 and the Director of Emergency Services declared a local emergency on March 3, 2020, which was ratified by the City Council on March 10, 2020. Subsequent to the local emergency declaration, the Governor declared a state of emergency on March 16, 2020 and the President of the United States declared a national emergency on March 16, 2020.

Over time, the City's response to the COVID-19 pandemic has evolved. In the early stages, City resources were focused on monitoring the spread of the virus and providing public education and information. In response to the Health Officer's Orders to Shelter-In-Place and community spread of COVID-19, the City has marshaled resources to address the needs of our community with the goal of slowing the spread of COVID-19 and protecting the public's health and safety to the greatest extent possible. An important focus of the EOC has been and continues to be addressing the needs of our most vulnerable populations. This includes our unhoused community, people living in nursing homes and seniors living independently.

The following highlights some of the key initiatives undertaken by the EOC:

- Set-up a testing site in partnership with LifeLong Medical and UC Berkeley with an initial focus on testing vulnerable community members including those without access to health care as well as firefighters, nurses, police officers and other essential City employees.
- Regularly disseminate timely and consistent information to the public and the media.
- Developed a comprehensive website that provides public education, community updates, and resources for residents and members of our business community.
- Added public handwashing stations and port-a-potties throughout the City.

- Expanded the hours of our long-standing shower program and added an additional shower location.
- Developed the infrastructure to accept donations of personal protective equipment, hand sanitizer, thermometers, and cloth face masks.
- Converted a community center into a space available to provide temporary shelter.
- Bought, took possession of and sited trailers, connected them to infrastructure necessary for habitation and furnished them.
- Rehabbed a vacant house and worked with the County to get people out of shelters, off the street and into hotels.
- Created and implemented new grant programs to assist low-income renters, arts organizations, small businesses, and other non-profit organizations that have been impacted by the COVID-19 pandemic.
- Established a multi-department task force that works directly with skilled-nursing and residential care facilities to prevent and mitigate the spread of COVID-19. In the event of an outbreak at a skilled nursing facility, a specially trained response team is ready to provide support and assist with on-site testing if needed.
- Deliver hundreds of meals to seniors every week and check in with them on how they are doing.
- Surveyed 600 city staff for child care needs and developed list of potential sites and protocols for providing that service.
- Established weekly meetings with Latinx community agencies to provide translated public health materials and support to monolingual Spanish speaking and undocumented community.
- Developed cost recovery tools and time tracking documentation for the long term effort to recover costs from FEMA.
- Partnering with the County and others to convert the LaQuinta hotel into a 113 unit isolation space for medically vulnerable unhoused people.

To make all of this happen, hundreds of employees throughout the organization have been deployed as disaster service workers and are working countless hours. This is an impressive mobilization of resources that has delivered tangible results. Through these initiatives, the spread of COVID-19 has slowed.

Expenditures to Address the COVID-19 Pandemic

To date, the City has documented expenditures that were previously not budgeted of *at least* \$3.8 million to address the COVID-19 pandemic. Staff are in the process of consolidating expenditures that have occurred throughout the organization and are developing a forecast of what will be needed throughout the remainder of the calendar year. As a result, the personnel and non-personnel expenditures outlined in the table below do not account for all of the expenses that have been incurred to date and what will be needed in the future. In addition, the table below does not capture the lost grant

revenue that results from reassigning staff who are typically reimbursed by grants to the EOC. Resource needs will increase.

Table 1
Year-to Date Estimated Expenditures to Address the COVID-19 Pandemic
\$'s in '000's

	Amount
Personnel Expenses - Overtime (1)	\$59
Non-Personnel Expenses (2)	725
Grants to small businesses, arts organizations, and renters	3,000
Total	\$3,784

1. Represents overtime personnel expenditures through April 4, 2020. Excludes non-overtime personnel expenditures through April 4 of approximately \$1.25 million and excludes personnel expenditures attributed to employees that are on paid furlough, which are estimated at \$686,556 through April 4, 2020.
2. Non-personnel expenses include, but are not limited to, acquisition of personal protective equipment, trailers, supplies to establish COVID-19 testing site and expanded shelter capacity.

To support the immediate needs of the EOC, existing resources (i.e., HEAP) have been leveraged to the extent practicable and allowable, certain projects/programs have been deferred, and unencumbered funds that have been appropriated in the FY 20 / 21 Biennial Budget have been allocated to support the EOC. A unit within the EOC has been organized to focus on cost recovery efforts to determine how to best allocate resources that the City has received from the Federal government and to determine what expenditures may qualify for FEMA public assistance. To date, the City has received an allocation of CDBG funds of \$1.6 million and an allocation of ESG funds of \$800,000.

To support the immediate needs of the EOC, the following items have been deferred and will be incorporated into the FY 21 Budget for City Council consideration:

Table 2
Deferred Items Address the COVID-19 Pandemic
\$'s in '000's

	Amount
Vegetation Management	\$334
Solano Avenue Revitalization Plan	300
Vacant Digital Communications Position	160
Total	\$794

In addition to what is outlined in the table above, the City has allocated a portion of HEAP grant funds to support the placement of port-a-potties and handwashing stations throughout the City and to provide shelter for those living on the street.

In order to ensure that the Berkeley Relief Fund could be immediately capitalized to quickly deploy funding, the following General Fund resources have been allocated:

- Measure U1 - \$1.0 million. At the City Council meeting on March 10, 2020, City Council approved a spending plan for Measure U1. The spending plan adopted by City Council indicates that there are unallocated Measure U1 revenues that can be made immediately available without jeopardizing current or future needs. These funds will be appropriated in AAO#3.
- Measure P -- \$1.6 million. The City Council, as part of the FY 20 / 21 Biennial Budget that was adopted in June 2019 allocated \$1.2 million in Measure P resources for 5150 Transports. Subsequent to that, as part of AAO #1, City Council appropriated an additional \$2.9 million in Measure P revenues to fund various program and services and staffing. In looking at what is needed to fund programs and services in FY 20, staff have determined that there is approximately \$1.6 million in resources that can be directed to the Berkeley Relief Fund.
- General Fund Transfer of \$400,000 to Workers Compensation Fund. As part of the FY 20 budget, City Council approved the transfer of \$400,000 from the General Fund to the Workers Compensation Fund to repay the Workers Compensation Fund for the purchase of Premier Cru. The General Fund transfer will be deferred so that the resources can be freed up for the Berkeley Relief Fund.

While there are a variety of ways to identify the funding that is needed for the Berkeley Relief Fund, the approach outlined above leverages resources that are available without jeopardizing existing programs, services, or projects so that the grant programs can move forward without delay.

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