

A G E N D A
Council Update

<https://thorntonco.zoom.us/j/99980662231>

April 28, 2020

5:45 p.m.

- I. CALL TO ORDER AND REVIEW OF UPDATE AGENDA**

- II. REVIEW OF THE FORMAL COUNCIL MEETING AGENDA**

- III. BRIEFINGS**
 - A. COVID-19 Update (Estimated 30 Minutes)

 - B. Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund Discussion (Estimated 15 Minutes)

 - C. Executive session pursuant to C.R.S. 24-6-402(4)(b), conferences with the City Attorney for the purposes of receiving legal advice regarding the Building Code Advisory Board Appeal Process (Estimated 30 Minutes)

COUNCIL UPDATE COMMUNICATION

Meeting Date: April 28, 2020	Agenda Item: A	Agenda Location: N/A	Goal(s):	Legal Review: N/A	<input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading
Subject: COVID-19 Update					
Recommended by: Kevin S. Woods <i>KW</i> Approved by: Kevin S. Woods <i>KW</i> Presenter(s): Kevin Woods, City Manager					Ordinance previously introduced by: _____

SYNOPSIS:

Staff will provide City Council with updates on the COVID-19 pandemic.

RECOMMENDATION:

This item is for informational purposes only.

BUDGET/STAFF IMPLICATIONS:

None.

ALTERNATIVES:

This item is for informational purposes only.

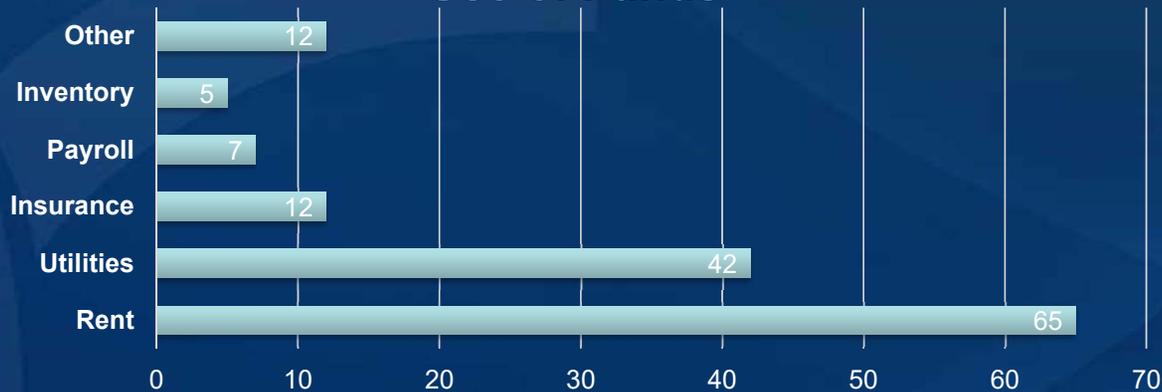
BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY): (includes previous City Council action)

Emergency Business Grant Program

Funding Update 125 Applications

- Approved: 70
- Under Evaluation: 27
- Denied: 28
- Awarded: \$506,055 of \$1,000,000
- Pending Requests: \$365,984
- Remaining: \$127,961

Use of Funds



COUNCIL UPDATE COMMUNICATION

Meeting Date: April 28, 2020	Agenda Item: B	Agenda Location: N/A	Goal(s):	Legal Review: N/A	<input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading
Subject: Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund Discussion					
Recommended by: Robb Kolstad <i>RK</i> Approved by: Kevin S. Woods <i>KW</i>					Ordinance previously introduced by: _____
Presenter(s): Robb Kolstad, Assistant City Manager					

SYNOPSIS:

The City was notified that there is the potential for a direct funding distribution of Coronavirus Relief Fund from Adams County. This money was made available through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and can be used for necessary expenditures incurred due to the public health emergency. The most recent guidance from the United States Department of the Treasury is attached.

RECOMMENDATION:

For informational purposes only.

BUDGET/STAFF IMPLICATIONS:

Receipt of Coronavirus Relief Funds would ease the financial burden of responding to the public health emergency.

ALTERNATIVES:

For informational purposes only.

BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY): (includes previous City Council action)

Coronavirus Relief Fund

City of Thornton
City Council Update
April 28, 2020

Purpose & Agenda

Purpose: Discuss Coronavirus Relief Fund and receive Council guidance on City of Thornton opportunities.

Agenda

1. Coronavirus Relief Fund – Funding Overview
2. Eligible and Ineligible Uses
3. Community Needs and Initial Funding Ideas
4. Process and Next Steps

Coronavirus Relief Fund – Funding Overview

\$150 billion – States and Local Governments

- Funding Amount (\$) determined by population
- Local Governments minimum 500,000 residents

State of Colorado and Adams County

- State: \$2.23 billion
- Adams County: \$89,247,396
 - \$49,086,068 Adams County (55%)
 - \$40,161,328 Cities and Unincorporated Adams County (45%)
 - \$11,076,404 for Thornton (tentative – pending IGA)

Eligible and Ineligible Uses

Eligible

1. Medical expenses
2. Public health
3. Payroll expenses
4. Expenses to facilitate compliance
5. Economic support

Ineligible

1. Revenue replacement
2. Damages covered by insurance
3. Expenses that have or will be reimbursed under any federal program
4. Reimbursement to donors for donated items or services
5. Severance pay
6. Legal settlements

*Funding has to be spent by December 31, 2020

Community Needs

Community Needs

- Food security
- Housing needs
- Financial security

Business Needs

- Public Health Order – business closures
- Rent and payroll assistance

City Needs

- Lost revenue (not eligible)
- Increased Covid-19-related costs (PPE, testing, etc.)
- Necessary changes to business practices (telework)

Initial Funding Ideas

Community Programs

1. Rent and utility assistance – direct disbursement to partner agencies
2. Food bank support and food delivery for vulnerable populations
3. Homelessness initiatives – Covid-19 specific

Business Programs

1. Increase funding to the Thornton Emergency Business Grant program
 - Consider program expansion
2. Enhanced local business marketing
3. Small business loan program

City Costs

1. Hazard pay proposal
2. Expenses to improve telework capabilities for employees
3. Facility modifications, PPE supplies, and employee testing

Process and Next Steps

Recommend allocating initial portion of the anticipated funds to each of the three categories

- Community Programs: \$1.0M
- Business Programs: \$2.0M
- City Costs: \$500K

Continue to evaluate community needs as they evolve

- Hold a portion of the funding in reserve for future needs
- Follow up discussion with City Council in the coming weeks

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.