



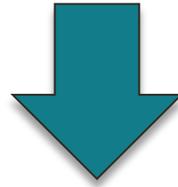
# CITY OF SAMMAMISH CARES ACT IMPLEMENTATION

# BACKGROUND

- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) created the Coronavirus Relief Fund, which provided \$150 billion in direct assistance to states, large local governments, territories, and tribal areas
- WA State distributed over \$400M of its allocation to local governments
- **City's award = \$2,898,450**
- Accessed on a **reimbursement basis** for eligible expenditures incurred between Mar. 1 – Nov. 30, 2020
- The City must submit reimbursement request to the State by Dec. 15

## RECOMMENDATION

The City Manager recommends the City seek reimbursement for \$2.9M in budgeted, COVID-related Eastside Fire & Rescue (EF&R) expenses.



**Creates budget savings** on the EF&R contract in an **equivalent amount (\$2.9M)**, which would be **earmarked specifically to continue providing COVID-19 support** to the community without the restrictions associated with federal funds.

# RECOMMENDATION - **BENEFITS**

**Main benefit: Allows the City to continue providing financial assistance to the community beyond November 30<sup>th</sup>**

- Future federal funding uncertain
- Ensures funding available to support residents, nonprofits and businesses through a potential “second wave” of COVID-19 this winter
- **Additional benefits:**
  - Eliminates requirements tied to federal funds that can slow their provision.
  - Reduces potential exposure during the Single Audit.

# RECOMMENDATION - ELIGIBILITY

**Staff, Legal and EF&R spoke with Commerce, who stated unequivocally that budgeted EF&R expenses were an eligible use of CARES funds.**

- Supported by guidance from Treasury Office of Inspector General.
- Expenses for public safety employees are *presumed* to meet the tests for:
  - “Substantially dedicated” to COVID-19 response; and
  - “Substantially different use” from the budgeted expense.

## **Supporting Guidance:**

- Washington State Department of Commerce Coronavirus Relief Funds for Local Governments Program Guidelines (Dated May 18, 2020)
- Department of the Treasury Coronavirus Relief Fund Frequently Asked Questions (Updated September 2, 2020)
- Department of the Treasury Office of Inspector General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised September 21, 2020)

# CURRENT EXPENDITURES

To date, the City has spent over \$1 million on the following COVID-19 response and recovery activities:

- Emergency support grants to nonprofit organizations meeting the needs of residents (**\$315K**)
- Small business grants to ensure the health of the local economy (**\$420K**)
- Expenditures incurred to support government operations, such as teleworking equipment, space modifications, and PPE (**\$278K+**)

# CONCLUSION

- WA Commerce confirmed EF&R expenses are an eligible use of the City's \$2.9M CARES allocation.
- The \$2.9M in budget savings realized on the EF&R contract will be earmarked specifically for COVID-related expenses.
- Staff will track this funding and report out periodically to Council and the public.
- Next steps: COVID-19 Q&A on Connect Sammamish

