

DEPARTMENT MATTERS

**INDIAN RIVER COUNTY
INTER-OFFICE MEMORANDUM**

OFFICE OF MANAGEMENT & BUDGET

TO: Members of the Board of County Commissioners

DATE: September 14, 2021

THROUGH: Jason E. Brown, County Administrator

FROM: Kristin Daniels, Director, Management & Budget

SUBJECT: CARES Act – Spending Plan Revisions

BACKGROUND:

On July 7, 2020, the Board of County Commissioners approved the initial CARES Act Spending Plan for the first 25% allocation received from the State, with slight revisions approved on July 14, 2020. Subsequently, on August 18, 2020, the Board approved further revisions to the initial plan. On September 22, 2020 the Board approved allocating an additional \$4,662,600 under the Phase 2 Spending Plan. On November 10, 2020 the Board made other revisions to the plan for an additional \$1,886,518, bringing the total proposed plan to \$13,525,451. On December 1, 2020 the Board approved use of the full \$27,905,330 Indian River County has been allocated. Further revisions to the plan were approved on January 5, 2021, which allocated the \$12,723,176 attributed to public health/public safety payroll to other expenditure categories. On February 17, 2021, Indian River County received the remaining \$15,347,931 in CARES Act funding, and has therefore received the entire \$27,905,330 allocation. Additional revisions to the plan were approved on March 9, 2021, to reallocate funding between categories.

Because the Board elected to draw down funding via reimbursement for public health/public safety payroll expenses, the Board has discretion on awarding these funds after the initial December 30, 2020 CARES Act deadline. On January 5, 2021, the Board approved time extensions with each agency that had funds remaining to grant them the remainder of the current fiscal year to spend their allocations.

ANALYSIS:

The following table shows the currently approved allocation by category and recommended revisions to the plan. The majority of the proposed spending plan revisions are due to select agencies and municipalities returning portions of their allocations. Details regarding individual changes are itemized below. These decreases are being offset by increases in line items that have a future need for the funding.

CARES Act Spending Plan		
Type of Expense	Approved Allocation	Proposed Reallocation
Municipalities	\$2,335,929	-\$57,851
Constitutional Officer Expenses	\$3,388,573	\$0
BCC Expenses	\$7,301,660	\$695,987
Health Department	\$600,453	\$0
Other Healthcare Providers	\$380,280	\$0
State Agencies	\$30,000	\$0
Economic Development	\$2,660,000	-\$19,147
Community Support	\$10,181,745	-\$618,989
School District of IRC	\$1,026,690	\$0
PH/PS Payroll to be Reallocated	\$0	\$0
Total	\$27,905,330	\$0

Municipalities

Indian River Shores, City of Vero Beach and City of Sebastian have informed the County that they will not be seeking any further reimbursements and would like to return their unspent allocations totaling \$57,851. These funds will provide additional funding to other COVID-19 expenditures.

The City of Fellsmere has requested an additional time extension from September 30, 2021 to December 1, 2021. This additional time would be used to design specific construction plans for the implementation of broadband based on the results of the completed study.

BCC Expenses

Adjustments need to be made in the BCC expense category to cover additional expenses which have arisen that can be funded from decreases in other previously funded expense categories. An additional \$300 is needed to cover the final balance of the Families First Coronavirus Response Act (FFCRA) leave time that was provided to employees under the CARES Act.

On September 14, 2021 the Board of County Commissioners approved additional vacation hours to employees as an incentive to become vaccinated. This incentive carries a maximum cost of \$232,625, and has been included in the BCC Expenses listed in the table below. Miscellaneous Purchases are being increased by \$463,062. Due to the unpredictable nature of the COVID-19 pandemic, this funding is being categorized as miscellaneous as a placeholder for any upcoming unanticipated expenses that may arise as a result of COVID-19. This funding could also be used to cover any ineligible expenses reported under the American Rescue Plan Act (ARP). Because the ARP guidance continues to change and evolve, even after expenditures have taken place, Staff believes this placeholder could be beneficial to ensure all COVID-19 related expenditures are covered. In the event there is leftover CARES Act funding after the ARP funding has been closed, the remaining balance could potentially be used to reimburse the Employee Health Insurance fund for any COVID-19 related expenditures that have been charged against the plan

BCC Expenses	Additional Need
COVID-19 Leave Time	\$300
Vacation Hours/Employee Vaccine Incentive	\$232,625
Miscellaneous Purchases	\$463,062
Total	\$695,987

Economic Development

On September 22, 2020, the County allocated \$60,000 to Indian River State College for a program to provide courses to County residents that will provide additional skillsets and training to potentially help those affected by COVID-19 in securing employment going forward. The College has invoiced the County for \$40,853 and wishes to return the remaining allocation totaling \$19,147.

Community Support

To date, the Indian River Hospital District has expended \$349,211 of their \$358,301 allocation. The remaining \$9,090 will not be expended and will be used towards other COVID-19 expenditures.

As of August 20, 2021, the United Way has been reimbursed a total of \$2,427,602. This includes over \$1.43M in mortgage, rental and utilities assistance to more than 800 individual households, \$592K to non-profit sub agencies, \$180K in mental health services, \$118K in childcare scholarships, \$33K in legal help for eviction prevention and nearly \$75K in dedicated staff time to oversee these programs. Although aide is still needed, the United Way predicts only an additional \$350,000 will be needed to adequately support all areas of need, leaving \$609,899 to be returned to the County from their allocation. These funds will be used towards other COVID-19 expenditures.

RECOMMENDATION:

Staff recommends that the Board consider the proposed CARES Act reallocations, make any changes to the plan and adopt the proposed plan with any applicable changes. Staff recommends that the Board approve the CARES Act Amendment 3 and Time Extension with City of Fellsmere. Staff recommends that the Board approve the decreases in allocations from Indian River Shores (\$35,489), City of Vero Beach (\$9,850), City of Sebastian (\$12,512), Indian River State College (\$19,147) and Indian River Hospital District (\$9,090), United Way (\$609,899), along with an increase in BCC expenses for direct COVID-19 expenditures in the amount of \$695,987.

ATTACHMENTS:

CARES Act Spending Plan
City of Fellsmere CARES Act Amendment 3