



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

Jason E. Brown, County Administrator
Michael C. Zito, Assistant County Administrator

MEMORANDUM

TO: Members of the Board
of County Commissioners

FROM: Jason E. Brown
County Administrator

DATE: September 9, 2020

SUBJECT: CARES Act Phase 2 - Proposed Spending Plan
and Phase 1 Update and Revisions

BACKGROUND:

On July 14, 2020, the Board of County Commissioners approved the initial CARES Act Spending Plan for the initial 25% allocation received from the State. Subsequently, on August 18, 2020, the Board approve revisions to the initial plan. As previously discussed, the State has not provided detailed guidance regarding the allocation and drawdown of the remaining funding under the program. Due to the very short timeline to expend the CARES Act dollars, staff is recommending that the Board consider an initial allocation plan for a portion of the remaining 75% (Phase 2) where additional needs have been identified beyond the amounts funded in Phase 1. It should be noted that this carries some risk to the County as there is the possibility that the State does not make such funding available to the County. This dynamic has been considered in the development of the proposed spending plan.

Throughout this process, the County's goal has been to utilize the CARES Act dollars in a responsible manner to address the needs of the community due to the impact of COVID-19. We have coordinated with our partners (municipalities, Constitutional Officers, State Agencies, nonprofits) on their expenditure plans, Phase 1 progress, and Phase 2 needs. Recently, the State provided guidance that counties are to report anticipated expenditures of CARES Act dollars through September 30, 2020 on September 25th. Staff will finalize these amounts with the most up to date information by the (new) deadline.

ANALYSIS:

The table below shows the currently approved allocation by category along with estimated expenditures through September 30, 2020.

CARES Act Funding					
Type of Expense	Planned Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Municipalities	\$1,799,996	\$630,381	\$744,078	\$0	\$125,000
Constitutional Officer Expenses	\$1,000,000	\$958,548	\$1,027,735	\$0	\$555,000
BCC Expenses	\$1,401,337	\$950,215	\$1,089,769	\$0	\$595,000
Health Department	\$400,000	\$57,332	\$57,332	\$0	\$0
Other Healthcare Providers	\$200,000	\$70,550	\$100,000	\$0	\$0
State Agencies	\$100,000	\$10,302	\$21,813	\$70,000	\$0
Economic Development	\$500,000	\$250,000	\$250,000	\$190,000	\$500,000
Community Support	\$1,575,000	\$748,121	\$1,467,600	\$0	\$3,100,000
Total	\$6,976,333	\$3,675,449	\$4,758,327	\$260,000	\$4,875,000

As shown in the table above, \$3,675,449 of the initial allocation of \$6,976,333 has been expended, with approximately \$1 million anticipated to be incurred by September 30th for a total estimated expenditure of \$4,758,327. For various reasons as further detailed below, \$260,000 will not be needed in the originally programmed category. These funds are available for reallocation to other programs.

Municipalities

The table below shows the detail of expenses by individual municipality. In total, municipalities have expended \$630,381, with \$744,078 anticipated in total by September 30th. This leaves about \$1 million for the municipalities to spend through December 30th. The City of Sebastian has requested an amendment to their original scope of work in order to allocate funding towards a mortgage and rental assistance program. The City is proposing to reduce their original allocation that was earmarked for small business grants, as that program has not received the demand that was originally anticipated. Although the City of Sebastian is reducing their allocation towards this grant program, all qualifying small businesses located within the City of Sebastian can still receive funding under the County's small business grant program. County staff has coordinated with the five municipalities to determine their anticipated needs for Phase 2 funding. Only two municipalities (Fellsmere and Indian River Shores) have submitted a plan for additional funds for municipal uses from Phase 2 so far. Once completed, this information will be presented to the BCC for approval. Several municipalities have indicated a desire to provide additional funds from their allocations to some of the existing County programs (e.g. rental and mortgage assistance, small business assistance). Vero Beach and the Town of Orchid have indicated that they don't anticipate needing an additional allocation from Phase 2 other than providing funding for the

programs mentioned above. We will incorporate these funds into any overall funding recommendation for such programs as part of the Phase 2 spending plan. In summary, the proposed additional funding allocations for municipalities in Phase 2 is \$125,000.

Initial 25% Allocation					
Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Municipalities	\$1,799,996	\$630,381	\$744,078	\$0	\$125,000
Fellsmere	\$209,067	\$21,316	\$21,316	\$0	\$100,000
Indian River Shores	\$40,000	\$15,000	\$20,000	\$0	\$25,000
Orchid	\$15,871	\$14,644	\$15,871	\$0	\$0
Sebastian	\$924,322	\$382,454	\$475,000	\$0	\$0
Vero Beach	\$610,736	\$196,967	\$211,891	\$0	\$0

Constitutional Officers

Constitutional Officers have expended \$958,548 of the original \$1 million allocation, with an estimated \$1,027,735 incurred by September 30th. County staff has coordinated with staff from the Constitutional Officers to estimate future needs for Phase 2. Based upon these communications, staff has proposed an additional allocation of \$555,000 for Constitutional Officers through December 30th.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Constitutional Officer Exp.	\$1,000,000	\$958,548	\$1,027,735	\$0	\$555,000
Clerk	\$112,292	\$87,620	\$112,292	\$0	\$25,000
Sheriff	\$769,177	\$767,939	\$789,939	\$0	\$450,000
Property Appraiser	\$8,000	\$12,823	\$14,973	\$0	\$5,000
Tax Collector	\$110,531	\$90,166	\$110,531	\$0	\$75,000

BCC Expenses

BCC expenses total \$950,215 currently, with estimated expenses of \$1,089,769 by September 30th (of \$1,401,337 programmed). Staff estimates that an additional \$510,000 will be needed for BCC expenses through December 30th as detailed in the table below.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
BCC Expenses	\$1,401,337	\$950,215	\$1,089,769	\$0	\$595,000
COVID-19 Leave Time	\$192,963	\$130,010	\$141,610	\$0	\$125,000
COVID-19 Straight Time	\$148,157	\$124,497	\$151,847	\$0	\$130,000
Local (12.5%) Match for FEMA OT Claim	\$36,491	\$36,611	\$41,664	\$0	\$30,000
Worker's Comp - First Responders	\$242,561	\$36,974	\$60,000	\$0	\$0
Miscellaneous Purchases (PPE, Plexiglas Dividers, Signage, etc.)	\$292,670	\$223,945	\$292,670	\$0	\$150,000
IT Upgrades	\$177,093	\$175,516	\$175,516	\$0	\$120,000
Temperature Taking Kiosks	\$44,551	\$46,595	\$46,595	\$0	\$0
Munis Modules to Support Teleworking	\$85,250	\$85,250	\$85,250	\$0	\$0
Enhanced Cleaning of Buildings	\$56,601	\$55,929	\$59,729	\$0	\$40,000
Consultant Services	\$50,000	\$5,000	\$5,000	\$0	\$0
Educational Campaigns	\$75,000	\$29,888	\$29,888	\$0	\$0

Health Department

The Health Department has expended \$57,332 of the total \$400,000 allocation. Health Department officials have communicated to County staff that they do not anticipate a need for funds beyond the approved allocation. Health Department staff have requested a modification to their scope of services from the initial agreement to purchase supplies for vaccinations, sheltering, and alternate care facilities. An amendment to the Health Department's original scope of work is being recommended for approval in order to facilitate these purchases.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Health Department	\$400,000	\$57,332	\$57,332	\$0	\$0

Other Healthcare Providers

Other healthcare providers have expended \$70,550 of the initial allocation of \$200,000. County staff continues to work with Cleveland Clinic on an agreement. No additional funds are planned for other healthcare providers at this time.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Other Healthcare Providers	\$200,000	\$70,550	\$100,000	\$0	\$0
Treasure Coast Community Health (TCCH)	\$100,000	\$70,550	\$100,000	\$0	\$0
Cleveland Clinic	\$100,000	\$0	\$0	\$0	\$0

State Agencies

State agency expenses total \$10,302, with estimated expenses of \$21,813 as of September 30th. Based upon communications with various State Agencies, staff does not anticipate expending the entire \$100,000 allocation here. Therefore, \$70,000 from the initial allocation is available to fund other program needs for Phase 2. The Mosquito Control District has requested assistance in purchasing COVID-19 related items totaling \$2,845. Staff is recommending the Board approve the Mosquito Control District’s scope of work detailing these expenses which are to be paid from the existing State Agency allocation.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
State Agencies	\$100,000	\$10,302	\$21,813	\$70,000	\$0

Economic Development

Total Economic Development expenses are estimated at \$250,000 as of September 30th out of the initial allocation of \$500,000. All of these expenses have been for the County’ Small Business COVID-19 Recovery Grant. The City of Vero Beach also contributed \$120,000 from their allocation to this program. At this time, the \$370,000 has been allocated for eligible businesses through our partnership with the Small Business Development Center at IRSC and the Chamber of Commerce of Indian River County. Staff recommends providing an additional \$500,000 to this program for Phase 2. Additionally, staff recommends making certain other businesses eligible for funding in phase 2. Some businesses have applied for funding that have been significantly impacted by COVID-19, however, they were not included in the eligible businesses for Phase 1 funding. The additional business categories staff recommends fall into three categories: 1) event businesses that were affected by the ban on large gatherings, such as wedding photographers, linen supply, and musical groups, 2) businesses that were subject to full or partial closure during phase 2 or continue to operate with limitations, such as barber shops, nail salons, and fitness centers, 3) miscellaneous businesses that were not specified in round 1, but may have a tourism/hospitality tie-in or may rely on sales from visitors, such as souvenir stores, art dealers, car rental, and other retailers.

The initial allocation provided funding for worker retraining and employment efforts. County staff has made significant efforts to develop a worker reemployment program without success. We have coordinated with Indian River State College (IRSC) to provide a program to fund workforce training for County residents that have been impacted by COVID-19. Staff is recommending an allocation of \$60,000 to this program for IRSC to provide courses that will provide additional skillsets and training to potentially help those affected by COVID-19 in securing employment going forward. Staff recommends that the Board approve entering into an interlocal agreement with IRSC for this program. This leaves \$190,000 that can be utilized to fund a portion of the \$500,000 new allocation for the Small Business COVID-19 Recovery Grant program resulting in a total increase of \$310,000 in this category.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Economic Development	\$500,000	\$250,000	\$250,000	\$190,000	\$500,000
Small Business Development Center	\$250,000	\$250,000	\$250,000	\$0	\$500,000
Worker training and reemployment program	\$250,000	\$0	\$0	\$190,000	\$0

Community Support

Community support program expenses total \$748,121 currently, with estimated expenses of \$1,467,600 through September 30th leaving \$107,400 remaining in this category.

The Treasure Coast Food Bank (TCFB) has expended the entire \$400,000 initial allocation. Through this assistance, they have provided 2.6 million pounds of food in the March – August 2020 timeframe. The agency anticipates a need of 2.4 million pounds of food for the September through December 2020 period. Therefore, staff recommends providing an additional allocation of \$400,000 to TCFB for Phase 2.

The United Way of IRC (UWIRC) has expended \$281,360 currently, with estimated expense of \$975,000 by September 30th. Staff recommends an additional allocation of \$700,000 to UWIRC for Phase 2. The UWIRC would be able to provide more funding for some of their current programs including utility and rental assistance, mental health programs, etc. They have also proposed to allocate funding for promotion of mental health support and rental assistance (including the County's) programs.

The Board of County Commissioners approved a Coronavirus Relief Fund (CRF) grant agreement with the Florida Housing Finance Corporation (FHFC) on August 18, 2020. This agreement provided \$572,301 to the County in order to provide mortgage and rental assistance for Indian River County residents impacted by COVID-19. Staff anticipates presenting an amendment to this agreement to the Board that will provide an additional \$300,919 for total funding of \$873,220. The County opened applications for this program at noon on Monday, September 14th. Within the first 24 hours, approximately 250 applications were either submitted or in progress indicating a strong demand for these funds. The \$873,220 allocation from FHFC would fund about 175

applicants at the maximum program funding amount (\$4,500) once administrative costs of 10% are considered. As such, the County would likely need to close this program if additional funding is not allocated. Staff recommends supplementing the CRF grant funds with an allocation of \$2 million from the CARES Act funds for Phase 2.

Type of Expense	Originally Estimated Expense*	Expended to Date	Estimated Spend by 9/30/20	Excess Funds to Reallocate	Additional Need
Community Support	\$1,575,000	\$748,121	\$1,467,600	\$0	\$3,100,000
Treasure Coast Food Bank	\$400,000	\$400,000	\$400,000	\$0	\$400,000
Senior Resource Association	\$125,000	\$6,100	\$17,600	\$0	\$0
United Way	\$975,000	\$281,360	\$975,000	\$0	\$700,000
PPE Kits	\$75,000	\$60,661	\$75,000	\$0	\$0
Rental & Mortgage Assistance	\$0	\$0	\$0	\$0	\$2,000,000

RECOMMENDATION:

Staff recommends that the Board approve Phase 2 funding of \$4,875,000 as detailed above (see attachment). After accounting for \$260,000 from Phase 1 available for reallocation, this is a net increase of \$4,615,000 from the Phase 1 funding amount of \$6,976,333. Staff further recommends that the Board authorize the Chair to execute a subrecipient agreement with IRSC in the amount of \$60,000 for worker training, and \$2,845 for the Mosquito Control District. Staff further recommends that the Board authorize the Chair to execute amendments to the subrecipient agreements as follows:

- City of Fellsmere - \$100,000 in additional funding.
- Town of Indian River Shores - \$25,000 in additional funding.
- City of Sebastian – approve scope modifications
- Treasure Coast Food Bank - \$400,000 in additional funding for food support.
- United Way of IRC – \$700,000 in additional funding.
- Health Department – scope modifications