



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Greg Veliz, City Manager
Patti McLaughlin, Assistant City Manager

CC: Mark Finigan, Chief Financial Officer

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: September 14, 2020

RE: **Approving the attached Interlocal Agreement for CARES Act Funding with Monroe County Board of County Commissioners in the amount not to exceed \$165,600.00.**

ACTION STATEMENT:

This resolution will approve the attached Interlocal Agreement for CARES Act Funding with Monroe County Board of County Commissioners in the amount not to exceed \$165,600.00.

BACKGROUND:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020 and created the Coronavirus Relief Fund which provides \$150 billion in direct assistance for domestic governments. On June 10, 2020, Governor DeSantis announced the State of Florida's plan to disburse up to \$1.275 billion in CARES Act funds to counties like Monroe County with a population below 500,000. Monroe County entered into a funding agreement with the Florida Division of Emergency Management (FDEM) which distributes an initial disbursement of 25% of the County's total anticipated allotment of \$13M. This initial disbursement is known as "Phase 1" totaling \$3.25M and is the only amount received by the County to date.

The rest of the County's 75% disbursement is considered "Phase 2" by FDEM which is has not yet been initiated. Counties are expected to expend their Phase 1 funds and report those to FDEM, after which, FDEM will focus on Phase 2. Currently, Phase 2 is planned as reimbursement-based, but this could change. The County believes if Phase 1 funds are expended efficiently, FDEM may be more likely to consider advancing funds again. County priorities include identifying allocations that have been expended or will be expended quickly. There is no allocation plan for the funds beyond the \$3.25M.

The County has been working on how best to allocate the \$3.25M given the eligible uses, most urgent community needs and sharing a portion most equitably among the County and cities to help cover some of their costs. Here are the prioritized areas:

Constitutional Officers' COVID-19 related expenses: \$1,300,000

The County prioritized them because their budgets, sources of revenue and costs, are more fixed and less fluid and less able to adjust for their unexpected expenses than the county's and cities' budgets. Most of this amount will go to the MCSO towards covering roadblock personnel expenses.

Key to the Caribbean – Average yearly temperature 77° F.

Keys-wide Residential Rent/Mortgage Assistance: \$200,000

The County is only allocating \$200K because they are able to augment this with the additional Florida Housing Finance Corporation (FHFC) funding of \$638K for a total of \$838K for the County's rent/mortgage assistance program; further, there will be a second round of FHFC if we expend round 1 funds expeditiously.

Keys-wide Small Business Assistance Grants: \$1,000,000

This program is ready to be rolled out as soon as the BOCC approves of the application and guiding documents (September 3 budget meeting).

The remaining amount will be disbursed among the County and municipalities, using the percentage distribution formula for the infrastructure sales tax, with the City of Key West receiving \$165,600.

PURPOSE AND JUSTIFICATION:

The Interlocal Agreement for CARES Act funding with Monroe County recognizes that the City has and will incur expenditures responding to the COVID-19 pandemic and in accordance with the County's CARES Act funding Agreement with FDEM.

FINANCIAL IMPACT:

With proper documentation to justify requested expenditures incurred due to the public health emergency with respect to COVID-19, it is the County's intent to reimburse the City for expenditures which are eligible for CARES Act funding not to exceed \$165,600.00. Through the end of August 2020, the City had incurred slightly over \$1.550M in both personnel and other COVID related expenses. Approximately \$1.125M was associated with personnel services (regular hours) which may not be reimbursable with the balance of qualified incurred expenses, approximately \$380K, directed towards PPE, KOTS improvements, aid to the United Way for rental assistance and \$165K in aid to local food banks.

RECOMMENDATION:

Staff recommends that the City Commission approve the attached Interlocal Agreement for CARES Act Funding with Monroe County Board of County Commissioners in the amount not to exceed \$165,600.00.