

Item 3.6

Fiscal Recovery Update and Coronavirus Relief Fund Rebalancing

September 22, 2020

Lee Wilcox, EOC Director/Chief of Staff

Luz Cofresí-Howe, Finance & Recovery Coordinator/Assistant Finance Director

Jim Shannon, Budget Director

Background

- The Emergency Operations Center Roadmap guides the City in its efforts to slow and reduce the spread of COVID-19 and support our most risk populations
- Finance & Recovery Sections in the EOC track estimated expenditures across 16 different funding sources
 - Total Estimated Allocation: \$307 million
 - Coronavirus Relief Fund: \$178 million**
- Recommended actions adjust funding allocations across most expenditure categories and ratify actions taken to increase the number of Wi-Fi hotspots for San José families

Finance & Recovery Update

- Since Rules and Open Government Committee meeting on June 24th, total available funding across all sources increased by \$55.4 million, from \$251.8 million to \$307.2 million
- Detailed tracking and documentation processes are ongoing
- Web-based portal to display actual revenues and expenditures by funding source and expenditure category is in development

Budget Adjustments

General Fund / 2020-2021 Continuity of Operations Reserve

- The 2020-2021 Continuity of Operations Reserve was established in the General Fund with the incorporation of Manager's Budget Addendum #3 in the Mayor's June Budget Message for Fiscal Year 2020-2021, as approved by the City Council, setting aside \$25 million to support operation of basic City services and emergency response activities through 2020-2021 should conditions differ from current expectations
- Accessing the Reserve expands the range of eligible uses, which is important given the nature of some of the response activities undertaken by the City
- Recommended actions reallocate \$11 million from the \$25 million reserve:
 - **Digital Inclusion (\$6 million)**
 - **BeautifySJ (\$3 million)**
 - **Remote Work Facilitation (\$2 million)**

Budget Adjustments

Coronavirus Relief Fund – Change from MBA# 20

Expenditure Appropriation	Total CRF Allocation Change	Revised Total CRF Allocation
Communications and Translation Services	+ \$0.2 million	\$0.7 million
Consulting and Planning Support	+ \$1.0 million	\$3.1 million
COVID-19 Personal Services	+ \$20.0 million	\$70.0 million
Digital Inclusion	- \$5.0 million	\$0
Facilities Improvements	+ \$0.6 million	\$5.6 million
FEMA Matching Expense	\$0	\$7.0 million
Food Distribution and Necessities	- \$11.0 million	\$24.0 million
Homeless Sheltering and Support	- \$18.6 million	\$26.4 million
Local Assistance	+ \$5.0 million	\$30.0 million
PPE & Janitorial Services	- \$1.3 million	\$0.2 million
Remote Work Facilitation:	- \$0.3 million	\$0.7 million
Testing, Tracing and Isolation	+ \$10.6 million	\$10.6 million
Reserve	- \$1.3 million	\$0
Total	\$0	\$178.3 million

Digital Inclusion Program Actions

- Change funding source from Coronavirus Relief Fund to the General Fund (2020-2021 Continuity of Operations Reserve)
- Total program increase from \$5.0 million to \$6.4 million
 - ✓ Includes \$400,000 from Santa Clara County Office of Education
- Amends agreement with AT&T to increase number of hotspot devices by 4,800, from 11,000 to 15,800

RECOMMENDATION

Receive a report on the status of the City's fiscal recovery efforts related to the COVID-19 pandemic.

Adopt 2020-2021 Appropriation Ordinance and Funding Sources Resolution amendments in the Coronavirus Relief Fund, the Emergency Reserve Fund, and the General Fund as described in Attachment A to the staff memorandum.

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara County Office of Education (SCCOE) that allows the City of San José to receive \$400,000 from SCCOE to purchase additional hotspot devices for San José residents impacted by COVID-19.

Adopt a resolution ratifying an amendment to the Agreement with AT&T providing connectivity to residents impacted by COVID-19 that extends the contract term to September 1, 2021 and increases the maximum compensation from \$3,430,000 to \$5,116,000.

September 22, 2020

Lee Wilcox, EOC Director/Chief of Staff

Luz Cofresí-Howe, Finance & Recovery Coordinator/Assistant Finance Director

Jim Shannon, Budget Director