



## AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: April 7, 2020

Agenda Item 6th

**Approvals:**

City Manager ED

Dept. Head GS

Attorney \_\_\_\_\_

Finance Si

**Department:** Finance and Administrative Services  
**Prepared By:** Erik Sund, Assistant City Manager

**Subject:** *AUTHORIZATION OF FUNDING FOR COVID-19 RESPONSE*

**Fiscal Impact:** Grant funds will be sought to offset costs, however a \$500,000 appropriation is requested to initially fund potential COVID-19 costs, which are currently unknown.

**Summary:** The City is experiencing additional operational costs as a result of the COVID-19 Emergency. These costs are for activities above and beyond the normal operations of the City and may be recoverable through future grant funding.

**Background:** On March 4, 2020, the California Governor issued a State of Emergency to slow the spread of COVID-19. This Emergency Declaration offers the opportunity for certain costs incurred to be potentially recovered. On March 16, 2020 City facilities were closed to public access, however services are still being provided to the public and costs are being incurred relating to the operation of the City during this crisis. These additional costs include extra cleaning, expansion of telecommuting, shift changes, and other aspects to continue the day to day City functions.

The City may be able to recover some of the costs in combating this pandemic. The separate tracking of costs related to this emergency will need to be implemented for reimbursement purposes. City staff will be utilizing an existing fund for the tracking of any payments for these costs, however this will require initial funding by the City to pay for these costs. City staff is recommending that an initial funding amount of \$500,000 be approved with funding provided by the General Fund and the General Liability Fund.

Amounts that are recovered through grant funds from any emergency grants will be placed back into these funds to fund future costs. Any funds remaining at the end of the duration will be transferred back into the General Fund and General Liability Fund.

**Discussion:** The City's additional costs will be tracked and funded initially from available funding sources using the General Fund and the General Liability Fund. The recommended funding sources are appropriate for funding these related costs until grant funds are received. These funding sources will allow the City to keep liability costs low, allow a variety of funds to contribute towards these operating costs, but it also recognizes that most of the funds are for the City's general operations.

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council

- 1) Approve an appropriation of \$500,000 in Fund 016 – Disaster Relief Fund. Expenditures to fund costs related to the COVID-19 Emergency.
- 2) Authorize a transfer to Fund 016 - Disaster Relief Fund Balance of \$500,000 (account number 016-000-23430) to provide initial funding of costs from the General Fund Undesignated Fund Balance 001-000-23430 in the amount of \$250,000 and the General Liability Retained Earnings balance (Net Assets) 068-000-23330 in the amount of \$250,000.

**Attachments:** None

**Notification:**