

# Malden CARES Act Coronavirus Relief Fund

MALDEN CITY COUNCIL – FINANCE COMMITTEE

FEBRUARY 23, 2021



What you need to know about the

# CARES Act

*Coronavirus Aid, Relief and Economic Security Act*

- ▶ The federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) created a new \$150 billion Coronavirus Relief Fund for state and local governments to pay for COVID-19 response costs.
- ▶ The Commonwealth of Massachusetts created the CARES Act Coronavirus Relief Fund – Municipal Program (CvRF-MP) to provide up to approximately \$502 million for municipalities to address unanticipated costs incurred as a result of the public health emergency caused by COVID-19. These funds were allocated on a per capita basis.

# How much funding was allocated to Malden?

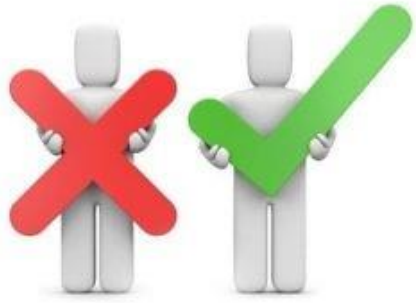
▶ \$5,381,404

- ▶ Although this seems like a lot of funding as you will see the funds don't go very far.
- ▶ In order to access CARES Act funding the Mayor must submit a request to the Commonwealth of Massachusetts

#### Attachment B: CvRF – MP Certification

I, [Insert name of signatory] am the chief executive of [Insert name of municipality], and I certify that:

1. I have the authority on behalf of [Insert name of municipality] to request payment from the Commonwealth of Massachusetts. At this time, I am requesting payment in the amount of [Insert Reconciliation Round Total CvRF Request]. This request covers costs from costs from March 1, 2020 to December 30, 2020 in connection with section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020) ("section 601").
2. I understand that the Commonwealth will rely on this certification as a material representation in making a payment to [Insert name of municipality].
3. As required by federal law, [Insert name of municipality]'s proposed uses of the funds provided as payment in response to this request will be used only to cover those costs that - were necessary expenditures incurred due to the public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.



ELIGIBLE OR NOT???

# Eligible Uses of Funds

- ▶ The CARES Act CvRF provides resources for municipalities to address unexpected costs associated with the COVID-19 pandemic. The Fund is subject to at least three major conditions. These include:
  - ▶ Necessary expenditures incurred due to the public health emergency with respect to COVID-19
  - ▶ Expenses must be unbudgeted as of March 27, 2020
  - ▶ \* Expenses must be incurred between March 1, 2020 and December 30, 2020
  
- ▶ \* This deadline has been extended until December 31, 2021

# Eligible Uses

- ▶ First responder costs, including:
  - ▶ Direct staffing costs - Overtime, additional hires, and/or backfilling staff who test positive
  - ▶ Quarantine/isolation costs for first responders who may be infected and should not put household members at risk - or who should be kept apart from potentially infected household members
    - ▶ Including hotel/motel space, sanitization of first responder vehicles, etc.
- ▶ Temporary staff to backfill sick or quarantined municipal employees including:
  - ▶ City/town management
  - ▶ Phone/administrative support
  - ▶ Police, Fire, EMT
  - ▶ Trash collection

# Eligible Uses

- ▶ Staff for compliance and reporting associated with this funding
- ▶ Accelerated telework capacity - infrastructure, subscriptions for meeting services, hardware (laptops)
- ▶ Hiring and training, including training for employees and contractors hired for COVID-19 response
- ▶ PPE (Personal Protective Equipment)
- ▶ Food inspection
- ▶ Cleaning/disinfection of public buildings
  - ▶ Municipal buildings
  - ▶ Specialized cleaning equipment
  - ▶ Air filtration / HVAC
- ▶ Social distancing measures in public buildings - plexiglass barriers, small building modifications

# Eligible Uses

- ▶ Cost of debt financing related to COVID-19 investments - short-term borrowing and construction carrying costs
- ▶ Health insurance claims costs in excess of reasonably budgeted claims costs, and directly related to COVID-19 medical costs
- ▶ Legal fees - must be related to COVID-19
- ▶ Unemployment claims - must be related to COVID-19
- ▶ Election expenses - costs beyond the budgeted amount to hold elections

# Eligible Uses

- ▶ Board of health staffing needs - to the extent not addressed with public health funding
- ▶ Use of public spaces/ buildings as field hospitals
- ▶ Shelter for those who are homeless or otherwise have nowhere they can go without significant risk to themselves or other household members, and are at high risk of or recovering from COVID-19
- ▶ Transporting residents to COVID-19 medical and testing appointments
- ▶ Signage and communication including translation services
- ▶ Educational materials related to COVID-19
- ▶ Testing for COVID-19
- ▶ Services and supports to residents in their homes
- ▶ Short-term rental or mortgage support
- ▶ Prescription drug delivery



# Examples of Malden Expenses Utilizing CARES Act Funding

- ▶ Police & Fire Overtime incurred as a direct result of COVID-19
- ▶ Personal Protective Equipment (PPE)
- ▶ Rental Assistance
- ▶ Shelter for those who are homeless and at high risk of COVID-19
- ▶ COVID-19 Testing
- ▶ Technology to Assist with Remote Working
- ▶ Vaccine Distribution Equipment
- ▶ Cleaning of Municipal Buildings

# Detail Regarding Expenses Rental Assistance

- ▶ Rental Assistance
  - ▶ Requested the ability to use \$500,000 of funding to provide rental assistance to tenants who were unable to pay their rent during the pandemic as a direct result of COVID-19. There must be a documented loss of employment, reduction in hours, etc.... to qualify
  - ▶ Dealt directly with a large landlord in Malden who had identified 11 tenants that had \$61,250 in rental arrears during the pandemic. The City utilized \$24,500 in funds directly to the landlord and the landlord agreed to forgive the remaining \$36,750 in arrears.
  - ▶ Dealt directly with another large landlord who identified 20 tenants that had total rent arrears of \$158,078.60. The City provided funding in the amount of \$79,039.30 directly to this landlord and the landlord agreed to forgive the remaining \$79,039.30 in rental arrears.



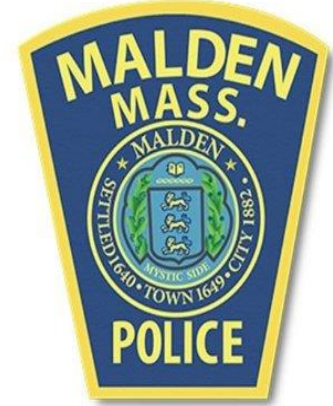
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# Rental Assistance

- ▶ Worked with Housing Families to provide rental assistance to residents citywide.
- ▶ As of Friday, February 19<sup>th</sup> we have provided rental assistance to 69 tenants totaling \$238,132.56. This is an average benefit of \$3,451.19 per tenant.
- ▶ Housing Families is still working with tenants throughout the City as we still have \$158,328.14 of the \$500,000 initial allotment that can be distributed.



# Public Safety Overtime



## ▶ Fire Department

- ▶ During the period of 03/13/2020 through February 6, 2021 the Fire Department had to fill 344 overtime shifts to maintain minimum staffing due to employees either testing positive for COVID-19 or being required to quarantine due to COVID-19. These overtime shifts cost \$219,588.50.

## ▶ Police Department

- ▶ During the period of 03/13/2020 through February 20, 2021 the Police Department incurred \$38,078.42 in overtime costs due to employees either testing positive for COVID-19 or being required to quarantine due to COVID-19.



# City Hall Lease

- ▶ Pre COVID-19 the City was making quick progress in the construction of our new City Hall. Once the pandemic began work slowed down drastically. Due to this we were forced to extend our lease at 17 Pleasant Street.
- ▶ A request to the State was made to recoup these additional funds that were spent on leasing temporary City Hall space at 17 Pleasant Street.
- ▶ The Commonwealth of Massachusetts agreed with us and allowed us to utilize \$80,634.48 of CARES Act funding instead of General Fund money to pay the lease for the months of March through June 2020.

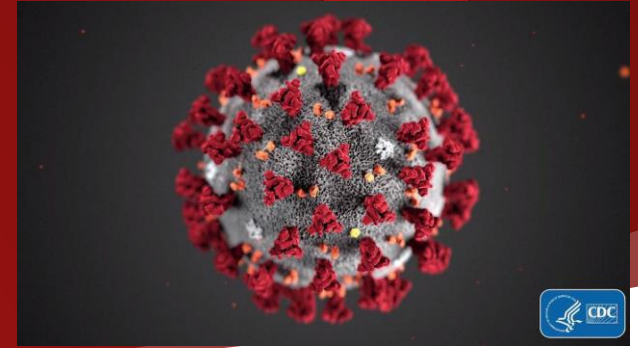
# Personal Protective Equipment (PPE)

- ▶ In the beginning of the pandemic PPE was very difficult to procure.
- ▶ We contacted companies throughout the Country that were on Statewide contracts or other collaborative purchasing contracts in order to procure a wide variety of masks, sanitizer, gloves and other items for our first responders, public works employees and other City staff.
- ▶ We have spent \$126,157.52 on PPE

# Accelerated Telework Capacity

- ▶ We were forced to act quickly to ensure government operations were able to continue while employees were not able to come to their physical place of work.
- ▶ We purchased laptops so employees could work remotely.
- ▶ Some office PC's were replaced with laptops and docking stations to better suit remote working conditions.
- ▶ We purchased cameras so employees could hold "Zoom" meetings and be able to continue serving resident needs.
- ▶ We purchased a subscription to Zoom to have the ability to have these meetings.
- ▶ \$107,319.72 has been spent to support accelerated telework capacity

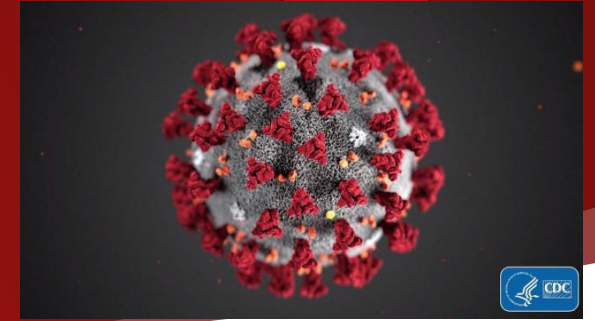
# COVID-19 Testing



- ▶ The Board of Health contracted with Cataldo Ambulance to provide COVID-19 testing at our Senior Housing buildings throughout the City.
- ▶ We allocated \$25,000 of CARES Act funding to be used towards COVID-19 testing



# COVID-19 Vaccination



- ▶ A drive through vaccination tent was purchased for \$15,416.28
- ▶ A medical grade refrigerator was purchased in order to store the vaccine for \$5,752.83



# Shelter for those who are homeless and at high risk of COVID-19



- ▶ The City contacted the State to inquire about the possibility of utilizing funding to support the Malden Warming Center.
- ▶ We received approval and have been working with Pastor Gerry Whetstone from the Malden Warming Center.
- ▶ Eligible expenses are for the time period of January 1, 2021 through March 31, 2021 and include the utility bills to the section of the building that is the warming center along with stipends for workers at the warming center.
- ▶ Total cost is not yet known. We have provided \$10,022.06 through Friday, February 19<sup>th</sup>.

# Social Distancing Measures

- ▶ The construction of City Hall was well underway prior to COVID-19. Once the pandemic started, we had to modify each office within our brand-new City Hall. Partitions were added between all cubicles in every office. In addition, plexiglass barriers were added in between hallways and Departmental Offices.
- ▶ The cost to add these modifications to City Hall was \$27,084.23.

| <b>Malden CARES Act Funding</b> |  | <b>\$5,381,404.00</b> |
|---------------------------------|--|-----------------------|
| <b>Vendor</b>                   | <b>Purpose</b>   | <b>Amount</b>         |
| QL-TBE Malden JV LLC            | Lease of City Hall at 17 Pleasant Street (March - June 2020)                     | \$80,634.48           |
| City of Malden                  | Fire Overtime  | \$219,588.50          |
| City of Malden                  | Police Overtime  | \$38,078.42           |
| Housing Families                | Rental Assistance  | \$396,460.70          |
| United Properties               | Rental Assistance  | \$79,039.30           |
| Alpha Management                | Rental Assistance  | \$24,500.00           |
| Cataldo Ambulance               | COVID-19 Testing   | \$25,000.00           |
| Tentcraft, Inc                  | Vaccination Tent   | \$15,416.28           |
| Crowdsync                       | PPE  | \$79,850.00           |
| Amazon                          | PPE  | \$11,186.32           |
| M O'Connor                      | Social Distancing Measures at City Hall  | \$8,502.75            |
| Environments at Work            | Social Distancing Measures at City Hall  | \$18,581.48           |
| Dell Marketing                  | Laptops  | \$68,999.27           |
| Valley Communication            | Social Distancing Measures at Police Station                                     | \$37,249.30           |
| Valley Communication            | City Hall Use of Zoom in Conference Rooms  | \$9,341.00            |
| Robert H Lord                   | Social Distancing Measures at Police Station                                     | \$17,965.60           |
| CDW Government                  | Laptops  | \$4,311.24            |
| Helmer Scientific               | Vaccination Refridgerator  | \$5,752.83            |
| First Church of Nazarene        | Malden Warming Center  | \$10,022.06           |
| Rosetta Languages               | Translation  | \$1,360.00            |
| Baystate Interpreters           | Translation  | \$2,653.00            |
| Complete Cleaning               | Deep Cleaning of Public Buildings  | \$9,000.00            |
| School Health                   | PPE  | \$18,529.06           |
| Veterans Business Services      | PPE  | \$10,380.00           |
| Tactical Medical                | PPE  | \$4,994.78            |
| Trauma Services                 | Cleaning   | \$4,267.90            |
| Home Depot                      | PPE  | \$1,217.36            |
| Micro Center                    | Laptops  | \$14,999.95           |
| Teamviewer                      | Remote Accesss   | \$2,149.20            |
| Zoom                            | Remote Accesss   | \$19,923.36           |
| Griffin Logistics               | PPE  | \$4,995.00            |
| Expended                        |  | \$1,244,949.14        |
| Encumbered                      | HVAC Improvements in School Buildings  | \$2,500,000.00        |
|                                 | Additional Rental Assistance   | \$500,000.00          |
|                                 | Revenue Loss *   | \$2,375,335.00        |
| Amount Remaining                |  | -\$1,238,880.14       |
|                                 | * Revenue Loss not yet an approved category however federal guidance is changing |                       |

# Detailed Itemization of Expenses

# Encumbered Projects

## School Building HVAC Upgrades

- ▶ The Public Facilities Director, Eric Rubin, has been actively working with the Commonwealth of Massachusetts Department of Energy Resources and Honeywell to finalize a proposal to upgrade the HVAC systems within all of our School buildings.
- ▶ Honeywell's Healthy Buildings solutions will monitor, manage and control key air quality parameters to create a healthier built environment, while still managing energy efficiency.
- ▶ Utilizes a technology called **Needlepoint Bipolar Ionization** which is a pathogen control technology that generates ions which combine and attach to the pathogen depriving it of hydrogen and killing the virus. It is effective in eliminating airborne pathogens including COVID-19, E. Coli, Mold Spores, Noro Virus, and many others.
- ▶ Manages pressurization, ventilation, temperature and humidity.
- ▶ Gauges environmental and occupancy parameters.
- ▶ Controls and optimizes UV cleaning, air filtration and air composition.
- ▶ The goal is to have all of these upgrades completed no later than August 2021.



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# Rental Assistance

- ▶ We have set aside an additional \$500,000 of CARES Act funding to use for a possible second round of rental assistance.
- ▶ As previously discussed, the first round of rental assistance had unbelievable success as evidenced by the article in this Sunday's Boston Globe, so we are working on a plan to continue to be able to provide rental assistance to those impacted by the COVID-19 pandemic.

# Lost Revenue



- ▶ The current guidance does not allow for the use of CARES Act funding as revenue replacement however there has been talk at the federal level of possible changes to that in the future.
- ▶ Malden has had a direct loss of revenue as a result of COVID-19.
- ▶ We are anticipating seeing a reduction in revenue of more than \$2 million. It is our hope that there may be changes at the federal level that allow revenue replacement to be an allowable use of CARES Act funds in the future.
- ▶ Revenue sources across the board have been impacted such as excise (less new cars being purchased during the pandemic), liquor licenses (Malden waived the license fee for bars/restaurants for 2021), meals taxes, room occupancy, real estate collection is down from prior years, etc...
- ▶ There is not enough CARES Act funding remaining to recoup all of our lost revenue however if the federal regulations are changed it is our hope to be in the position to recoup some of this lost revenue.