

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: May 27, 2020

TO: Mayor and City Commission

FROM: Mark Washington, City Manager

SUBJECT: Request to Kent County for CARES Act allocation

During Kent County's COVID-19 Committee meeting yesterday, there was a brief discussion regarding the City's request for CARES funding through December, 2020. Questions and comments centered around three issues:

- 1) the relative size of Grand Rapids' request as compared to other cities/townships in the county;
- 2) the difference between monthly expenditure estimates from May through December as compared to actual expenditures in March and April; and
- 3) whether proposed expenditures were effectively making up for "lost revenue" as opposed to actual costs related to COVID-19.

Because of the legal importance of the question, I think it's important that we address question #3 before getting into the detail of questions #1 and #2. **The actual and proposed expenditures are all directly related to COVID-19 response and recovery efforts.** Proposals that would act as "revenue replacement" are explicitly prohibited in the CARES Act. Departmental leaders were asked to be thoughtful and comprehensive in what they believed their costs would be to achieve several outcomes:

- 1) **Fund documented costs through the first months of this COVID-19 response.** This has included PPE, preliminary technology/facility costs, supplemental compensation for first responders and costs committed to providing support to our homeless population.
- 2) **Ensure that both staff and the public would feel safe visiting and interacting in public spaces and offices.** This includes:
 - a. Sufficient PPE, signage, screening and visitor management measures

- b. Necessary building, officing and customer service area modifications to ensure appropriate physical distancing and barriers at points-of-transaction
 - c. Appropriate resources as required for cleaning and sanitation of work and common areas in facilities
 - d. Temporary personnel to help manage building security and provide assistance to visitors upon full reopening of customer-facing operations
 - e. Costs to support increases in by-mail voting, tax appeals/litigation and other shifts in operations anticipated as a result of the COVID-19 pandemic
- 3) **Ensure that our technology systems are supportive of a modified workplace for the foreseeable future.** This includes:
- a. Costs associated with telecommuting infrastructure that ensures employees can be productive while working from remote locations
 - b. Costs associated with remote board/commission meetings and community engagement activities
 - c. Costs associated with enhanced visitor management technology to ensure that building are secure and appropriate contact tracing can be achieved when necessary
- 4) **Ensure that the City is well-prepared to support both individual and business recovery efforts through the end of the year.** This includes:
- a. Cost of temporary personnel that can support our efforts to effectively communicate with residents and businesses, as well as personnel to provide focused support for homeless outreach and business/resident recovery and resiliency
 - b. A focused investment in resiliency activities allowable by the CARES Act, including rental assistance, bill payment assistance, support to local businesses and ongoing sheltering/support for our homeless population
 - c. Investments required to facilitate the opening of local businesses and execution of special events by opening up public spaces and rights-of-way for use in physical distancing and sanitation/protective strategies
 - d. Investments to support digital inclusion and equitable access to digital resources for parents, students and our workforce as we plan for what schooling, training and workforce development will look like post-COVID

The primary difference between actual expenditures in March/April and anticipated expenditures through December comes down to several factors:

- 1) **Returning employees to a regular officing/working environment.** At this time, the City has employed telecommuting (~450 employees) and shift/rotational schedules to protect employees and respond to stay-at-home orders. As we begin to reopen facilities there are additional costs to do so safely as outlined in #2 and #3 above.

2) **Investments in helping the community recover in an equitable and sustainable way.** This is reflected in #4 above.

We cannot speak to the relative expenditure estimates of our neighboring townships and cities. Our estimates were provided using the same standard survey/worksheet provided by Kent County and we sought to be comprehensive in our response. The CARES allocation was limited to communities with a population of 500,000 or more, which left out most local governments that are also providing critical support. If you evaluate CARES allocations made to cities on a per-capita basis, our request is consistent with those of cities who received direct allocations, as outlined below (Grand Rapids' total request to Kent County was \$37.3 million, or approximately \$184.65 per resident):

	Approximate Population	CARES Allocation	Avg. Per Resident	Avg. Applied to GR Population (202,000)
Mesa, AZ	527,000	\$90,389,099	\$171.52	\$34,647,040
Fresno, CA	538,000	\$92,755,912	\$172.41	\$34,826,820
Detroit, MI	677,000	\$116,915,242	\$172.70	\$34,885,400
Milwaukee, WI	585,000	\$102,977,845	\$176.03	\$35,558,060

As you know, businesses and individuals have been severely impacted by the closures required during this COVID-19 response. Failure to plan for supportive activities that help them recover would be inconsistent with the intent of the CARES Act and would result in significant longer-term recession of the local economy. As the economic, financial, tourism and commercial center of the region, we have a responsibility to plan thoughtfully and comprehensively for resiliency and recovery. Grand Rapids represents nearly 1/3 of the Kent County population and our proposed CARES investments are reflective of our efforts to best support the needs of our residents and businesses.

Attachments:

- 1) Original submission to Kent County
- 2) Detail spreadsheet of City/departmental requests

cc: Eric DeLong
Doug Matthews
Allison Farole