



**AGENDA
SCOTT COUNTY
BOARD OF COMMISSIONERS
SHAKOPEE, MINNESOTA
OCTOBER 6, 2020**

9:00 a.m.

- (1) CONVENE COUNTY BOARD**
- (2) AMENDMENTS TO THE AGENDA**
- (3) APPROVE MINUTES OF SEPTEMBER 10, 2020 COUNTY BOARD-THREE RIVERS PARK DISTRICT BOARD MEETING**
- (4) APPROVE MINUTES OF SEPTEMBER 15, 2020 COUNTY BOARD MEETING**
- (5) RECOGNITION OF INTERESTED CITIZENS**
Limited to items not on the agenda, and five minutes per person/subject. Speakers are asked to approach the microphone for the benefit of viewers and interested citizens.
- (6) CONSENT AGENDA**
Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
 - 6.1** Adopt Resolution No. 2020-160; Authorizing the Approval of the Grant Agreement and Receipt of Funds From the Department of Human Services for the Adult Mental Health Initiative and Community Support Program *(No fiscal impact)*
 - 6.2** Adopt Resolution No. 2020-152; Authorizing Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to be Used to Purchase Additional Mobile Computer Equipment and Contract Services *(No fiscal impact-utilizing CARES Act funds)*
 - 6.3** Adopt Resolution No. 2020-155; Approving an Amendment to the 2020-2029 Transportation Improvement Program to Add County Project CPT 169-10 and Authorizing Entering Into a Cooperative Agreement With Sand Creek Township for Participation in the Berkshire Avenue Extension Design *(Utilize Transportation Sales Tax Funds)*
 - 6.4** Adopt Resolution No. 2020-156; Awarding the Contract to Kraus-Anderson Construction Company for the Construction of a New Courtroom on the Third Floor of the Law Enforcement Center in the Amount of \$2,161,563.58 *(Use of bond funding)*
 - 6.5** Adopt Resolution No. 2020-158; Authorizing the Acceptance of Grant Funds From Homeland Security Emergency Management (HSEM) to Fund the Initial Investment of Two Next Generation Firewalls and Authorizing Up To \$180,000 in Additional Implementation, Hardware, and Subscriptions Costs to be Covered by Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds *(No fiscal impact-utilizing CARES Act funds)*
 - 6.6** Adopt Resolution No. 2020-159; Authorizing an Amendment to the Sub-Recipient Agreement With the Scott County Community Development Agency for Administration of the Mortgage and Business Support Program to Add \$64,000 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to Develop a Consolidated Jobs Website *(No fiscal impact-utilizing CARES Act funds)*
Collaboration: We will work with partners - communities, schools, faith groups, private business, and non-profit agencies - to see that services are not duplicated but rather are complimentary, aligned, and provided by the partners who can deliver the service most effectively
 - 6.7** Adopt Resolution No. 2020-157; Approving an Agreement With Credit River to Provide Law Enforcement Services Within Its Political Boundaries *(Budget adjustments to revenue and expenses needed)*

Customer Service: We will deliver government services in a respectful, responsive, and solution-oriented manner

6.8 Approve Payroll Processing of Personnel Actions *(No fiscal impact)*

(7) STEWARDSHIP: WE WILL WORK PROACTIVELY TO MAKE INVESTMENTS, GUIDED BY RESIDENT INPUT, WHICH WILL TRANSFORM LIVES, COMMUNITIES, AND GOVERNMENT

7.1 Adopt Resolution No. 2020-153; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith *(No fiscal impact)*

7.2 Adopt Resolution No. 2020-154; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Philipp Square Project), Series 2020A, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith *(No fiscal impact)*

7.3 Receive Information on the Distribution of Scott County Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding *(Offset expenses related to COVID-19)*

(8) COMMUNICATION: WE WILL ALWAYS BE CLEAR ABOUT WHAT WE'RE DOING AND WHY WE'RE DOING IT

8.1 Receive a COVID-19 Update *(No fiscal impact)*

8.2 Receive a 2020 General Election Process Update *(No fiscal impact)*

(9) COMMITTEE REPORTS AND COMMISSIONER UPDATES

(10) COUNTY ADMINISTRATOR UPDATE

(11) RECESS FOR ATTORNEY/CLIENT MEETING

(12) ADJOURN

FOLLOWING THE MEETING THE COUNTY BOARD WILL MEET IN A WORKSHOP SETTING TO RECEIVE INFORMATION ON:

- **PROPOSED MURAL DESIGN FOR THE BUILDING CONSTRUCTION PROJECT**
- **AGENDA MANAGEMENT SOFTWARE**

UPCOMING MEETINGS

October 20, 2020	9:00 a.m. County Board Meeting
October 27, 2020	9:00 a.m. County Board Workshop
November 3, 2020	9:00 a.m. County Board Meeting

**Lezlie A. Vermillion
County Administrator
(952) 496-8100**

MINUTES

THREE RIVERS PARK DISTRICT BOARD OF COMMISSIONERS AND SCOTT COUNTY BOARD OF COMMISSIONERS

JOINT BOARD MEETING MINUTES

September 10, 2020

Park District Commissioners Present from Remote Locations:

John Gunyou, Board Chair; Steven E. Antolak, Marge Beard, Jennifer DeJournett, Daniel Freeman, John Gibbs, and Gene Kay

Park District Staff Present from Remote Locations:

Boe Carlson, Superintendent; E. Braaten, P. Freeman, D. Johnson, H. Koolick, A. Miller, E. Quiring, L. Skinner, J. Vlaming, A. Whiteside, J. Zemke and L. Ziegler

Scott County Commissioners Present from Remote Locations:

Barb Weckman Brekke, Tom Wolf, Board Chair Dave Beer, and Jon Ulrich

Scott County Staff Present from Remote Locations:

Leslie Vermillion, County Administrator; D. Brazil, and D. Lenz

1. OPENING BUSINESS

John Gunyou, Three Rivers Park District Board Chair, called the meeting to order at 1:03 p.m.

2. APPROVAL OF AGENDA

There were no changes to the agenda.

3. COMMUNICATIONS

A. Citizens Wishing to Address the Boards

The public was invited to visit <https://www.letstalkthreerivers.org/board-of-commissioners-meetings> and make comments that would be shared with the Boards of Commissioners. People could comment on specific agenda items or provide general comments. Feedback received by 5 p.m. on the Wednesday before the Joint Board Meeting would be shared with the Boards during the meeting.

There were no public comments.

4. NEW BUSINESS

A. 2021-2025 CIP Projects in the Partnership Parks

Patty Freeman, Scott County Parks and Trails General Manager, reviewed the information in the packet which included the partnership CIP Process, 2021-2025 CIP Projects List, and Project Highlights.

B. Cleary Maintenance Shop Update

Patty Freeman and Jason Zemke, Park District Senior Manager of Architecture, reviewed the information in the packet with regard to the new maintenance facility located within Cleary Lake Regional Park and answered Commissioners' questions.

C. Regional Trail Updates

Patty Freeman updated Commissioners on the naming of the Scott West Regional Trail and the planned Merriam Junction Regional Trail in Scott County and answered Commissioners' questions.

D. 2020 Budget Update

Howard Koolick, Park District Director of Finance/CFO, updated Commissioners on the current financial status of the 2020 Partnership Budget.

E. 2021 Proposed Scott County-Three Rivers Partnership Budget

Howard Koolick updated Commissioners on the proposed 2021 Partnership Budget (refer to packet) and answered Commissioners' questions.

4. ADJOURNMENT

Park District Board Chair John Gunyou adjourned the Joint Board Meeting at 1:45 p.m.

John Gunyou

John Gunyou, Board Chair - Three Rivers
Park District Board of Commissioners

Dave Beer, Board Chair
Scott County Board of Commissioners

MINUTES

BOARD OF COMMISSIONERS

COUNTY OF SCOTT

SEPTEMBER 15, 2020

(1) The Board of Commissioners, in and for the County of Scott, Minnesota, met in the Courthouse Board Room in the City of Shakopee, Minnesota, and convened at 9:00 a.m., with the following members present: Commissioner Beer, presiding, Commissioner Weckman Brekke, and Commissioner Wolf. Commissioner Beard and Commissioner Ulrich participated via phone. Chair Beer announced all votes will be by roll call vote.

(2) County Staff Present:

- A. Lezlie Vermillion, County Administrator
- B. Ron Hocevar, County Attorney
- C. Suzanne Arntson, Child Welfare Manager
- D. Nikki Hallberg, Child Protection Worker
- E. Mary Kay Stevens, Public Health Supervisor
- F. Chris Harder, Quality Improvement Manager
- G. Brad Davis, Planning and Resource Management Director
- H. Danny Lenz, Chief Financial Officer/Deputy County Administrator
- I. Pam Selvig, Health and Human Services Director
- J. Heather Wilson, Foster America Fellow (via phone)
- K. Cheryl Moriarty, Social Work Supervisor (via phone)
- L. Jake Grussing, Library Director (via phone)
- M. Lisa Brodsky, Public Health Director (via phone)
- N. Lisa Freese, Transportation Services Director (via phone)
- O. Debra Brazil, Deputy Clerk to the Board

(3) Guests Present:

- A. Pastor Korla Masters, Shepherd of the Lake Lutheran Church
- B. Tom Francis, Jordan (via phone)
- C. Tamara Severtson, St. Francis Regional Medical Center/Allina Health (via phone)
- D. Lisa Welter, Safe Families for Children (via phone)
- E. Melissa Gardner, Scott-Carver-Dakota Community Action Program (via phone)
- F. Kathy Aho, Baker Tilly Municipal Advisors, LLC (via phone)
- G. Paul Steinman, Baker Tilly Municipal Advisors, LLC (via phone)
- H. Tom Francis, Jordan (via phone)
- I. Mike Scholl, Casey Family Programs (via phone)
- J. Justin Lewandowski (via phone)
- K. Marcus Cage, Safe Families for Children (via phone)
- L. Elizabeth Beseke, Safe Families for Children (via phone)
- M. Colleen O'Keefe, Sauer Children's Renew Foundation (via phone)
- N. Bill Jaffa, Scott County Community Development Agency (CDA)
- O. Stacy Crakes, CDA First Stop Shop
- P. Julie Siegert, CDA
- Q. Adam Johnson, CDA
- R. Linda Janovsky, CDA

(4) Amendments to the Agenda

Chair Beer announced the agenda item to accept a grant from the Department of Human Services to implement a community-based navigation model for families of young children and approve the addition of a 1.0 full-time equivalent project coordinator is being pulled from the consent agenda for presentation.

On a motion by Commissioner Wolf moved, seconded by Commissioner Weckman Brekke the amended Agenda was approved on a roll call vote.

(5) Minutes:

On a motion by Commissioner Wolf, seconded by Commissioner Weckman Brekke, the Minutes of September 1, 2020 were approved on a roll call vote.

(6) Recognition of Interested Citizens:

A. Pastor Korla Masters, Shepherd of the Lake Lutheran Church, spoke of the Church's involvement with Families Moving Forward. She spoke of the need for expanded affordable housing specifically for local families. Pastor Masters asked the County Board to fully fund Families Moving Forward and the approve a capital commitment of \$900,000 to the Prairie Point Supportive Housing Development.

B. Tom Francis spoke as an advocate for Beacon Interfaith and Families Moving Forward. Mr. Francis told of his personal experience and hardships of being unemployed. He urged the County Board to support the \$900,000 capital commitment for the Prairie Point Supportive Housing Development.

(7) Innovation: We will take informed risks to deliver services more effectively and will learn from our successes and failures:

The County Board participated in the Scott County Delivers panel discussion regarding Work to End Child Abuse and Neglect: Together WE Can.

(8) Consent Agenda:

A. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-140; Providing for the Issuance and Sale of General Obligation Law Enforcement Center Refunding Bonds, Series 2020A – Current Refunding of Series 2012A, in the Proposed Aggregate Principle Amount of \$16,900,000. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

B. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-141; Authorizing Entering Into a Purchase Agreement With Minnesota Counties Computer Cooperative for the Purchase of AdobeSign, an e-Signature Solution Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

C. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-143; Authorizing the Purchase of WebEx Software Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

D. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-144; Approving the Preliminary 2021 Budget and Levy of \$33,350 for the Scott County Vermillion River Watershed Special Taxing District. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

E. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-146; Authorizing the Purchase of an Imagecast Central Count to Assist in Administering the Absentee Process Using Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

F. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-149; Authorizing Advanced Systems Integration to Rescind Their Bid for the Government Center East/West and the Justice Center Audio/Visual Technology and Security Systems Bid Package. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

G. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-147; Authorizing the Government Center East/West and the Justice Center Audio/Video Technology and Security Systems Bid Package Contract be Awarded to Video Services, Inc. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

H. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-148; Awarding a Contract to JL Theis, Inc. for the Installation of a Traffic Signal System at County Highway 21/County Highway 91 in Credit River Township. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

I. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-151; Approving Coronavirus Aid, Relief, and Economic Security (CARES) Act Special Revenue Fund to be Authorized for Use to Cover Pandemic Response Costs Incurred in the County Operation Budget From No Earlier Than March 1, 2020 Through August 31, 2020. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

J. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve estimates of just compensation by market value appraisals for right-of-way for the reconstruction of County Highway 83 in the City of Shakopee. The motion carried unanimously on a roll call vote.

K. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve estimates of just compensation by market value appraisals for right-of-way for a roundabout at County Highway 2 and County Highway 15 in Helena Township. The motion carried unanimously on a roll call vote.

L. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve estimate of just compensation by market value appraisals for right-of-way for a pedestrian bridge and trail along County Highway 17 at Trunk Highway 169 in the City of Shakopee. The motion carried unanimously on a roll call vote.

M. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve the record of disbursements and approve the claims made to Scott County from July 1 through July 31, 2020 in the amount of \$22,383,402.23. A copy of the record of disbursements is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

N. Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to adopt Resolution No. 2020-145; Supporting the Proposed Incorporation of Credit River Township as a City. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

O. On the recommendation of the Cedar Lake Town Board and the Scott County Planning Advisory Commission, Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve the request for a Home Extended Business Interim Use Permit to operate Advanced Exhaust Solutions (Marko Popovich, applicant and Marko and Kelly Popovich, property owners) in Section 12 of Cedar Lake Township. This action is in accordance with Chapters 2, 8, and 41 of Scott County Zoning Ordinance No. 3 based on the criteria listed for approval. The motion carried unanimously on a roll call vote.

P. On the recommendation of the County Administrator, Commissioner Weckman Brekke moved, seconded by Commissioner Wolf to approve the payroll processing of personnel actions indicated below and certified by the Employee Relations Director and the Appointing Authority to be in compliance with provisions of Minnesota Statutes 375.56 - 375.71 and the Scott County Merit Personnel System:

1. Separation of employment for Vinh Phan, FT Principal Solutions Analyst, Office of Management and Budget, effective 09/18/20.
2. Separation of employment for James Hentges, FT County Surveyor, Community Services Division, effective 09/25/20.
3. Separation of employment for Kathleen Davis, FT Assistant Facilities Manager, Planning and Resources Management Division, effective 10/05/20.
4. Separation of employment for Mikaela Brock, FT Office Assistant – Unclassified, Community Services Division, effective 08/18/20.
5. Separation of employment for Randy Hofstad, PT Temporary (34% FTE) Deputy – Unclassified, County Sheriff's Office, effective 08/27/20.
6. FT Probationary employment for Kristen Hayashi, Therapist, Health and Human Services Division, effective 10/01/20.
7. FT Probationary employment for Pam Schiele, Therapist, Health and Human Services Division, effective 09/14/20.
8. FT Probationary employment for Amanda Mary Schmitt, 911 Dispatcher, County Sheriff's Office, effective 09/14/20.
9. FT Probationary employment for Moriah Mueller, Therapist, Health and Human Services Division, effective 08/31/20.
10. FT Temporary employment for Daniel Lage, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
11. FT Temporary employment for Nicholas Lehman, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
12. FT Temporary employment for Mary Klein, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
13. FT Temporary employment for Laura Kvasnicka, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
14. FT Temporary employment for Elyse Haugen, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
15. FT Temporary employment for Cynthia Mc Arthur, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
16. FT Temporary employment for Teresa Manthie, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
17. FT Temporary employment for Erin Whalen, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
18. FT Temporary employment for Anthony Ratharaj, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
19. FT Temporary employment for Ann Nielsen, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
20. FT Temporary employment for Ann O'Donnell, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
21. FT Temporary employment for Joan Brosam, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
22. FT Temporary employment for Beth Fredrickson, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.

23. FT Temporary employment for Alicia Kramer, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
24. FT Temporary employment for Diana Tyree, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
25. Promotion for David Schild-Mueller, FT Probationary Taxation Supervisor, Community Services Division, effective 08/31/20.
26. The recognition of the following individuals as volunteers which will enable them to be covered for liability insurance purposes in accordance with the insurance contracts currently in force with Scott County:

	Add	Delete
Heather Doll	Cynthia Hauger	Lloyd Troendle
Colin Williams	John Muir	
Kay Gamble	Lisa Sandberg-Mendes	
Nathan Keith		

Commissioner Weckman Brekke reported many of the new hires are temporary hires to assist with the election.

County Administrator Lezlie Vermillion reported County Surveyor Jim Hentges is retiring after 40 years of employment with Scott County.

The motion carried unanimously on a roll call vote.

- (9) Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government:

A. Child Welfare Manager Suzanne Arntson requested authorization to apply for and accept grant funds from the Minnesota Department of Human Services to implement a community-based navigation model for families of young children. Funding of a 1.0 full-time equivalent project coordinator would be included in the grant. If awarded, the grant funds would be in an amount not to exceed \$300,000 per year or a total of \$600,000 for two years through 2022. Ms. Arntson explained the proposed program, noting the program would not be implemented unless grant funds are received.

In response to Commissioner Beard’s question, Ms. Arntson stated the intent is that when the grant expires and the project coordinator position goes away, the program would not be County supported but supported through the network of partnerships.

Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-150; Authorizing Application for and Acceptance of Grant Funds From the Minnesota Department of Human Services to Implement a Community-Based Navigation Model for Families of Young Children and the Addition of a 1.0 Full-Time Equivalent Project Coordinator. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

- (10) Customer Service: We will deliver government services in a respectful, responsive, and solution-oriented manner:

Health and Human Services Director Pam Selvig presented a request to enter into a Service Agreement with Guild Incorporated to provide intensive residential treatment (IRTS) and crisis bed stabilization services. Ms. Selvig reviewed the need for, the history of planning for, and the building of the IRTS facility (Facility) in Savage. Ms. Selvig explained this Service Agreement authorizes Guild Incorporated to screen, assess, and determine an individual’s eligibility for admission to the Facility. Ribbon cutting for the Facility is September 29 and the tentative opening is October 1.

Commissioner Ulrich moved, seconded by Commissioner Beard, to adopt Resolution No. 2020-142; Authorizing Entering Into a Service Agreement With Guild Incorporated to Provide Intensive Residential Treatment and Crisis Bed Stabilization Services. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

(11) Collaboration: We will work with partners - communities, schools, faith groups, private business, and non-profit agencies - to see that services are not duplicated but rather are complimentary, aligned, and provided by the partners who can deliver the service most effectively:

Scott County Community Development Agency (CDA) staff, Bill Jaffa, Stacy Crakes, and Julie Siegert reported on the CDA's involvement with the intensive residential treatment services facility, small business grants, economic growth, comprehensive housing and commercial industrial studies, COVID-19 response and recovery, and affordable housing.

Mr. Jaffa presented a request for the County Board to approve the CDA's 2021 levy in the amount of \$3,700,035 which is an increase of 7.16%. Mr. Jaffa explained the levy is determined by using a fixed formula from the State of Minnesota.

Commissioner Ulrich moved, seconded by Commissioner Beard to adopt Resolution No. 2020-138; Approving the 2021 Budget in the Amount of \$14,161,676 and Payable Tax Levy in the Amount of \$3,700,036 of the Scott County Community Development Agency and Certifying Same to the County Auditor. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

(12) Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government continued:

B. Chief Financial Officer/Deputy County Administrator Danny Lenz presented the proposed 2021 maximum levy of \$78,877,211 less \$5,962,211 certified property tax aid for a net levy of \$72,915,000 which is a 2.52% increase over 2020. Mr. Lenz explained the current proposed budget is balanced based on a final levy increase of 1.92% which is equal to the increase in property values in the County from new construction. The budget was developed with this levy target in mind, but due to uncertainty with State funding, staff is recommending a levy increase of 2.52%. If the State does not take actions with a negative impact on County revenue by December 15, when the Board will adopt the final budget, the levy increase will be 1.92%.

In response to comments and questions from the Commissioners, Mr. Lenz reiterated staff is recommending a levy increase 2.52% which is a combination of new growth in Scott County and inflation. However, staff is hopeful that, depending on the severity of any State action, a final levy of 1.92% will be attainable.

The Commissioners thanked staff for their diligent work in balancing demands and needs with fiscal responsibility.

Commissioner Beard moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-139; Establishing a Maximum Proposed Levy of \$78,877,211 Less \$5,962,211 Certified Property Tax Aids for a Net Levy of \$72,915,000 for the Purpose of Preparing the 2021 Proposed Property Tax Statements. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

(13) Committee Reports and Commissioner Updates:

- A. The Commissioners all participated in the County Board workshop on September 1.
- B. Commissioner Weckman Brekke met with County Administrator Lezlie Vermillion on September 8.
- C. Commissioner Weckman Brekke participated in the Scott County Historical Society virtual meeting on September 9.

D. Commissioner Weckman Brekke attended a meeting on September 9 regarding a road turnback in Jackson Township.

E. Commissioner Weckman Brekke participated in Association of Minnesota Counties (AMC) Policy Committee seminars on September 10.

F. Commissioners Weckman Brekke, Ulrich, Wolf, and Beer participated in the virtual meeting with the Three Rivers Park District Board of Commissioners on September 10.

G. Commissioners Weckman Brekke, Ulrich, Wolf, and Beer participated in the Scott County Association of Leadership and Efficiency (SCALE) virtual meeting on September 11.

H. Commissioners Weckman Brekke, Ulrich, Wolf, and Beer attended the 169/41 Interchange ribbon cutting ceremony on September 11.

I. Commissioner Weckman Brekke participated in AMC Health and Human Services Committee virtual meetings on September 14.

J. Commissioner Weckman Brekke met with the Scott County Health and Human Services Director on September 15.

K. Commissioners Beard and Ulrich participated in the Scott County Transportation Committee virtual meeting on September 3.

L. Commissioner Beard participated in the Scott-Carver-Dakota Community Action Program virtual meeting on September 8.

M. Commissioner Beard participated in a virtual AMC panel discussion on September 10.

N. Commissioner Ulrich met with Ms. Vermillion via phone on September 3.

O. Commissioner Ulrich participated in the Families and Individuals Sharing Hope (FISH) Executive Committee virtual meeting on September 3.

P. Commissioner Ulrich participated in the SCALE Executive Committee virtual meeting on September 4.

Q. Commissioner Ulrich participated in the Suburban Transit Association virtual meetings on September 8 and September 14.

R. Commissioner Ulrich participated in a virtual meeting on September 9 with a member of the Governor's Blue Ribbon Commission on the Metropolitan Council.

S. Commissioners Ulrich and Beer participated in the FISH virtual meeting on September 10.

T. Commissioner Ulrich participated in the SCALE Joint Regional Training Facility Board virtual meeting on September 11.

U. Commissioner Wolf attended the Credit River Town Board meeting on September 2.

V. Commissioners Wolf and Beer met with representatives of the City of Prior Lake on September 3.

W. Commissioner Wolf attended the Prior Lake City Council meeting on September 8.

X. Commissioners Wolf and Beer participated in the Metropolitan Emergency Services Board virtual meeting on September 9.

Y. Commissioner Wolf attended the New Market Town Board meeting on September 9.

Z. Commissioner Wolf attended the Cedar Lake Town Board meeting on September 9.

AA. Commissioner Wolf attended the Credit River Town Board meeting on September 9.

AB. Commissioner Wolf participated in the I35W Solutions Alliance virtual meeting on September 10.

AC. Commissioner Wolf attended the Elko New Market City Council meeting on September 10.

AD. Commissioner Wolf attended the Spring Lake Town Board meeting on September 10.

AE. Commissioner Wolf spoke with the Elko New Market City Administrator on September 11.

AF. Commissioner Wolf spoke with the County Attorney on September 11 regarding the proposed helipad in Cedar Lake Township.

AG. Commissioner Wolf participated in the Scott County Planning Advisory Commission virtual meeting on September 14.

AH. Commissioner Beer met with Ms. Vermillion on September 2.

(14) County Administrator Update:

- The County Board tour of the new construction project is rescheduled for 7:45 a.m. on Tuesday, September 29.
- The County Board will meet in a workshop setting on Tuesday, September 29, following the new construction project tour.

- The ribbon cutting for the intensive residential treatment services facility in Savage is 1:00 p.m. on Tuesday, September 29.
- The County Board will convene as the Scott County Regional Rail Authority following today's County Board meeting.

On a motion by Commissioner Wolf, seconded by Commissioner Weckman Brekke , the meeting adjourned at 1:06 p.m.

David Beer
Chair

Lezlie A. Vermillion
County Administrator
Clerk of the Board

Debra K. Brazil
Deputy Clerk to the Board

AGENDA #6.1
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Health & Human Services	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Danielle Fox, Adult Services Manager x8259	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:		TIME REQUESTED:	
ACTION REQUESTED:	Adopt Resolution No. 2020-160; Authorizing the Approval of the Grant Agreement and Receipt of Funds From the Department of Human Services for the Adult Mental Health Initiative and Community Support Program		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS: Pam Selvig Barb Dahl Danielle Fox
Denied:	
Tabled:	
Other:	
Deputy Clerk:	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-160; Authorizing the Approval of the Grant Agreement and Receipt of Funds From the Department of Human Services for the Adult Mental Health Initiative and Community Support Program.

The Scott County Grant award for the two-year period is \$784,856. The Grant Contract is effective January 1, 2021 through December 31, 2022.

The Adult Mental Health Grants are awarded by the Minnesota Department of Human Services (DHS) to support the mental health programming within local communities. Scott County is in receipt of funds for the Adult Mental Health Initiative (AMHI) and the Community Support Services Program (CSP).

This funding supports case management for the uninsured and direct client services such as housing subsidies and supportive employment. The CSP funding provides outreach, transportation, and education and socialization opportunities for persons with serious mental illness living within the community. Scott County utilizes CSP funds to operate the Anchor Center located at 752 Canterbury Road South, Shakopee.

Fiscal Impact:

None. The signing of the Adult Mental Health Grant Agreement with the Department of Human Services is budget neutral. The Grant award for the two-year period is \$784,856 or \$392,428 each calendar year. This State funding is long standing and built into the budget.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-160
Motion by Commissioner:	
Seconded by Commissioner:	

**RESOLUTION NO. 2020-160; AUTHORIZING THE APPROVAL OF THE GRANT AGREEMENT
AND RECEIPT OF FUNDS FROM THE DEPARTMENT OF HUMAN SERVICES FOR THE
ADULT MENTAL HEALTH INITIATIVE AND COMMUNITY SUPPORT PROGRAM**

WHEREAS, the Scott County Board of Commissioners Strategic Plan contains an empowerment value “to work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance”; and

WHEREAS, Scott County has a Community Safety and Well Being strategic initiative “that through strategic partnerships, residents will have convenient and reliable access to necessary and important services and activities” ; and

WHEREAS, Adult Mental Health Grants are awarded by the Minnesota Department of Human Services (DHS) to support the mental health programming within local communities; and

WHEREAS, this grant supports case management for the uninsured and direct client services such as housing subsidies and supportive employment; and

WHEREAS, the Community Support Program (CSP) grant provides outreach, transportation, education and socialization opportunities for persons with serious mental illness living within the community; and

WHEREAS, Scott County utilizes the CSP grant to operate the Anchor Center; and

WHEREAS, The Grant award is for the two-year period beginning January 1, 2021 through December 31, 2022 and is \$784,856 or \$392,428 each calendar year.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the County Administrator is authorized to accept a Grant from the Department of Human Services in the amount of \$784,856 for the Adult Mental Health Initiative and Community Support Program.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

**State of Minnesota)
County of Scott)**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator

Administrator's Designee

**AGENDA #6.2
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Office of Management and Budget – Information Technology	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Joyce Arlt	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	COVID 19	TIME REQUESTED:	N/A
ACTION REQUESTED:	Adopt Resolution No. 2020-152; Authorizing Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to be Used to Purchase Additional Mobile Computer Equipment and Contract Services		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input checked="" type="checkbox"/> Risk Management Review	FISCAL:	<input checked="" type="checkbox"/> Finance Review <input checked="" type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this request is to adopt Resolution No. 2020-152; Authorizing Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to be Used to Purchase Additional Mobile Computer Equipment and Contract Services.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

At a Board Workshop on July 7, 2020 the Scott County Board discussed its priorities for dissemination of the CARES funds. Included in those priorities was the need to cover increased operational costs directly related to the COVID-19 pandemic, as well as to provide needed items to allow for remote service delivery and teleworking of Scott County employees.

The CIP Governance committee reviewed, scored and prioritized internal funding requests from departments based on guidance from The Board and federal guidance and requirements. The criteria includes that the expense is being caused by COVID-19, that the expense is needed in order to protect employees and the public, the cost benefit of the investment, if the expense provides improvements for teleworking, whether it was tied to a board strategy and if it could be completed in the required timeframe.

At the time of the original authorization of funding for laptop computers to better allow teleworking by employees the requested funding exceeded available funds dedicated for this purpose. Since that time the County has been notified that it will receive grant funds towards the replacement of the County's firewall, freeing up the funds allocated to this project for other needs. The replacement of desktop computers with laptops was the highest rated request for internal CARES Act funds. This additional request will allow for the completion of this transition.

This request is for authorization for increased funding as follows:

- \$190,300 to fund additional laptops and accessories to facilitate employee teleworking. On September 1, 2020, the County Board authorized Resolution No. 2020-136 which included \$535,000 for the purchase of laptops, monitors, printers, and other equipment to allow employees to telework. This was intended to purchase approximately 200 laptops to replace existing desktop computers. Upon further analysis, a total of 350 laptops will be required plus additional accessories such as monitors, headsets and desk docks to further facilitate teleworking.
- \$11,136 to increase a part-time contract desktop technician to full-time for a period of twelve weeks to assist in the efforts to implement CARES Act project work. The Information Technology Department 2020 operating budget includes funding for a part-time (24 hours per week) contracted desktop support analyst. We request authorization to fund the additional 16 hours per week from the CARES Act Special Revenue Fund.

The usage of these funds for the above outlined purposes are considered allowable based on guidance provided by the U.S. Department of the Treasury. All of the items listed above fit within the following areas of the guidance:

- Cover the costs of teleworking improvement for employees. The primary focus of these funds is to provide mobile capabilities for employees who do not currently have it, and to implement or enhance new software applications that allow for the County to meet COVID-19 public health precautions, such as scheduling software and licenses to allow for remote meetings with clients.
 - o Authorized under "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" - "Nonexclusive examples of eligible expenditures" – Number 4 "Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."

Fiscal Impact:

Scott County has received \$17,719,998 in CARES relief funds. By a resolution on August 4, 2020 a CARES Act Special Revenue Fund was created, the County Budget amended, and the funds deposited. These purchases will be coded to utilize these funds, having no impact on the Scott County operating budget.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-152
Motion by Commissioner:	
Seconded by Commissioner:	

**ADOPT RESOLUTION NO. 2020-152; AUTHORIZING CORONAVIRUS AID, RELIEF,
AND ECONOMIC SECURITY (CARES) ACT FUNDING TO BE USED TO PURCHASE
ADDITIONAL MOBILE COMPUTER EQUIPMENT AND CONTRACT SERVICES**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, businesses, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, on July 29, 2020 Scott County was provided an allocation of \$17,719,998 from the State of Minnesota from the Federal CARES Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desires the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020" (The Guidance), attached and hereby incorporated as Exhibit A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Frequently Asked Questions Updated As of September 2, 2020" (The Frequently Asked Questions), attached and hereby incorporated as Exhibit B, provides additional information on eligible costs; and

WHEREAS, The Guidance states that CARES Act funds may be used to "...cover costs that were not accounted for in the budget..." or "the costs is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation." and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-152
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, the Guidance states that CARES Act funds may be used to "...improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."

NOW, THEREFORE, BE IT RESOLVED, That the Scott County Board of Commissioners hereby approves the following expenditure of funds:

- \$190,300 to fund additional laptops and accessories to facilitate employee teleworking; and
- \$11,136 to increase a part-time contract desktop technician to full-time to assist on CARES Act funded projects.

BE IT FURTHER RESOLVED, the Board provides the County Administrator the flexibility to adjust the dollar amounts based on the actual cost and need.

BE IT FINALLY RESOLVED, the purchase or expenditure of these funds will follow all County, State, and Federal procurement requirements for the use of such funds.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator
Administrator's Designee

Exhibit A

Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated September 2, 2020¹

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.²

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

¹ On June 30, 2020, the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020” was updated. On September 2, 2020, the “Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees” and “Supplemental Guidance on Use of Funds to Cover Administrative Costs” sections were added.

² See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020,

will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures³

The following is a list of examples of costs that would not be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.⁴
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

³ In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

⁴ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees

As discussed in the Guidance above, the CARES Act provides that payments from the Fund must be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As reflected in the Guidance and FAQs, Treasury has not interpreted this provision to limit eligible costs to those that are incremental increases above amounts previously budgeted. Rather, Treasury has interpreted this provision to exclude items that were already covered for their original use (or a substantially similar use). This guidance reflects the intent behind the Fund, which was not to provide general fiscal assistance to state governments but rather to assist them with COVID-19-related necessary expenditures. With respect to personnel expenses, though the Fund was not intended to be used to cover government payroll expenses generally, the Fund was intended to provide assistance to address increased expenses, such as the expense of hiring new personnel as needed to assist with the government's response to the public health emergency and to allow recipients facing budget pressures not to have to lay off or furlough employees who would be needed to assist with that purpose.

Substantially different use

As stated in the Guidance above, Treasury considers the requirement that payments from the Fund be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020, to be met if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a *substantially different use* from any expected use of funds in such a line item, allotment, or allocation.

Treasury has provided examples as to what would constitute a substantially different use. Treasury provided (in FAQ A.3) that costs incurred for a substantially different use would include, for example, the costs of redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Substantially dedicated

Within this category of substantially different uses, as stated in the Guidance above, Treasury has included payroll and benefits expenses for public safety, public health, health care, human services, and similar employees whose services are *substantially dedicated* to mitigating or responding to the COVID-19 public health emergency. The *full amount* of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what "substantially dedicated" means given that there is not a precise way to define this term

across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.

If an employee is not substantially dedicated to mitigating or responding to the COVID-19 public health emergency, his or her payroll and benefits expenses may not be covered *in full* with payments from the Fund. A *portion* of such expenses may be able to be covered, however, as discussed below.

Public health and public safety

In recognition of the particular importance of public health and public safety workers to State, local, and tribal government responses to the public health emergency, Treasury has provided, as an administrative accommodation, that a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 30, 2020.

In response to questions regarding which employees are within the scope of this accommodation, Treasury is supplementing this guidance to clarify that public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Not substantially dedicated

As provided in FAQ A.47, a State, local, or tribal government may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees’ time dedicated to mitigating or responding to the COVID-19 public health emergency. This result provides equitable treatment to governments that, for example, instead of having a few employees who are substantially dedicated to the public health emergency, have many employees who have a minority of their time dedicated to the public health emergency.

Covered benefits

Payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund to the extent incurred between March 1 and December 30, 2020.

Payroll includes certain hazard pay and overtime, but not workforce bonuses. As discussed in FAQ A.29, hazard pay may be covered using payments from the Fund if it is provided for performing hazardous duty or work involving physical hardship that in each case is related to COVID-19. This means that, whereas payroll and benefits of an employee who is substantially dedicated to mitigating or responding to the COVID-19 public health emergency may generally be covered in full using payments from the Fund, hazard pay specifically may only be covered to the extent it is related to COVID-19. For example, a recipient may use payments from the Fund to cover hazard pay for a police officer coming in close

contact with members of the public to enforce public health or public safety orders, but across-the-board hazard pay for all members of a police department regardless of their duties would not be able to be covered with payments from the Fund. This position reflects the statutory intent discussed above: the Fund was intended to be used to help governments address the public health emergency both by providing funds for incremental expenses (such as hazard pay related to COVID-19) and to allow governments not to have to furlough or lay off employees needed to address the public health emergency but was not intended to provide across-the-board budget support (as would be the case if hazard pay regardless of its relation to COVID-19 or workforce bonuses were permitted to be covered using payments from the Fund).

Relatedly, both hazard pay and overtime pay for employees that are not substantially dedicated may only be covered using the Fund if the hazard pay and overtime pay is for COVID-19-related duties. As discussed above, governments may allocate payroll and benefits of such employees with respect to time worked on COVID-19-related matters.

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

Supplemental Guidance on Use of Funds to Cover Administrative Costs

General

Payments from the Fund are not administered as part of a traditional grant program and the provisions of the Uniform Guidance, 2 C.F.R. Part 200, that are applicable to indirect costs do not apply. Recipients may not apply their indirect costs rates to payments received from the Fund.

Recipients may, if they meet the conditions specified in the guidance for tracking time consistently across a department, use payments from the Fund to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency. (In other words, such costs would be eligible direct costs of the recipient). This includes, but is not limited to, costs related to disbursing payments from the Fund and managing new grant programs established using payments from the Fund.

As with any other costs to be covered using payments from the Fund, any such administrative costs must be incurred by December 30, 2020, with an exception for certain compliance costs as discussed below. Furthermore, as discussed in the Guidance above, as with any other cost, an administrative cost that has been or will be reimbursed under any federal program may not be covered with the Fund. For example, if an administrative cost is already being covered as a direct or indirect cost pursuant to another federal grant, the Fund may not be used to cover that cost.

Compliance costs related to the Fund

As previously stated in FAQ B.11, recipients are permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act, subject to the limitations set forth in 2 C.F.R. § 200.425. Pursuant to that provision of the Uniform Guidance, recipients and subrecipients subject to the Single Audit Act may use payments from the Fund to cover a reasonably proportionate share of the costs of audits attributable to the Fund.

To the extent a cost is incurred by December 30, 2020, for an eligible use consistent with section 601 of the Social Security Act and Treasury's guidance, a necessary administrative compliance expense that relates to such underlying cost may be incurred after December 30, 2020. Such an expense would include, for example, expenses incurred to comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General. A recipient with such necessary administrative expenses, such as an ongoing audit continuing past December 30, 2020, that relates to Fund expenditures incurred during the covered period, must report to the Treasury Office of Inspector General by the quarter ending September 2021 an estimate of the amount of such necessary administrative expenses.

Exhibit B

Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020¹

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).² Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

A. Eligible Expenditures

1. *Are governments required to submit proposed expenditures to Treasury for approval?*

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?*

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?*

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

¹ On August 10, 2020, these Frequently Asked Questions were revised to add Questions A.49–52. On September 2, 2020, Questions A.53–56 were added, and Questions A.34 and A.38 were revised.

² The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

4. *May a State receiving a payment transfer funds to a local government?*

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?*

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?*

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?*

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?*

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?*

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?*

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?*

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?*

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?*

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?*

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

15. *May Fund payments be used for COVID-19 public health emergency recovery planning?*

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

16. *Are expenses associated with contact tracing eligible?*

Yes, expenses associated with contact tracing are eligible.

17. *To what extent may a government use Fund payments to support the operations of private hospitals?*

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?*

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?*

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?*

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

21. *May recipients create a “payroll support program” for public employees?*

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?*

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?*

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?*

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?*

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?*

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?*

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?*

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?*

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?*

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?*

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?*

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?*

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

34. *May a State impose restrictions on transfers of funds to local governments?*

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions, such as restrictions on reopening that do not directly concern the use of funds, are not permissible.

35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?*

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?*

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?*

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?*

No. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. Payments from the fund may only be used to cover such hazard pay.

39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?*

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

40. *May recipients use Fund payments to provide loans?*

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?*

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?*

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?*

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?*

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?*

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?*

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?*

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?*

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

49. Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

50. At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

51. If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

52. If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

53. May Fund recipients incur expenses associated with the safe reopening of schools?

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

54. *May Fund recipients upgrade critical public health infrastructure, such as providing access to running water for individuals and families in rural and tribal areas to allow them to maintain proper hygiene and defend themselves against the virus?*

Yes, fund recipients may use payments from the Fund to upgrade public health infrastructure, such as providing individuals and families access to running water to help reduce the further spread of the virus. As required by the CARES Act, expenses associated with such upgrades must be incurred by December 30, 2020. Please see Treasury's Guidance as updated on June 30 regarding when a cost is considered to be incurred for purposes of the requirement that expenses be incurred within the covered period.

55. *How does a government address the requirement that the allowable expenditures are not accounted for in the budget most recently approved as of March 27, 2020, once the government enters its new budget year on July 1, 2020 (for governments with June 30 fiscal year ends) or October 1, 2020 (for governments with September 30 year ends)?*

As provided in the Guidance, the "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Furthermore, the budget most recently approved as of March 27, 2020, provides the spending baseline against which expenditures should be compared for purposes of determining whether they may be covered using payments from the Fund. This spending baseline will carry forward to a subsequent budget year if a Fund recipient enters a different budget year between March 27, 2020 and December 30, 2020. The spending baseline may be carried forward without adjustment for inflation.

56. *Does the National Environmental Policy Act, 42 U.S.C. § 4321 et seq, (NEPA) apply to projects supported by payments from the Fund?*

NEPA does not apply to Treasury's administration of the Fund. Projects supported with payments from the Fund may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

B. Questions Related to Administration of Fund Payments

1. *Do governments have to return unspent funds to Treasury?*

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

2. *What records must be kept by governments receiving payment?*

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

3. *May recipients deposit Fund payments into interest bearing accounts?*

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

4. *May governments retain assets purchased with payments from the Fund?*

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?*

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?*

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?*

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

8. *Are Fund payments subject to other requirements of the Uniform Guidance?*

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?*

Yes. The CFDA number assigned to the Fund is 21.019.

10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?*

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?*

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?*

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.3
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Transportation Services- Program Delivery	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Lisa Freese-8363	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	CPT169-10	TIME REQUESTED:	NA
ACTION REQUESTED:	Adopt Resolution No. 2020-155; Approving an Amendment to the 2020-2029 Transportation Improvement Program to Add County Project CPT 169-10 and Authorize Entering into a Cooperative Agreement with Sand Creek Township for Participation in the Berkshire Avenue Extension Project Design		
CONTRACT/POLICY/GRANT:	<input checked="" type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input checked="" type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

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- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
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- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-155; Approving an Amendment to the 2020-2029 Transportation Improvement Program to Add County Project CPT 169-10 and Authorizing Entering into a Cooperative Agreement with Sand Creek Township for Participation in the Berkshire Avenue Extension Project Design.

Design activities are necessary to leverage regional, state and federal highway funding, to continue improvements to safety and mobility on the Trunk Highway (TH) 169 corridor.

Minnesota Department of Transportation (MnDOT) has committed to Sand Creek Township \$950,000 in Highway Safety Improvement Program (HSIP) construction funding for the extension of Berkshire Avenue to Bluff Drive. This safety funding would provide the frontage road extension and require the closure of 166th Street on the east side of TH 169. The project will also include a northbound acceleration lane on TH 169. At times this delay can be lengthy for freight vehicles, and sometimes gaps are not sufficient when these slow-moving freight vehicles pull onto TH 169 and conflict with fast moving commuter traffic and other freight vehicles. The proposed acceleration lane will allow slow moving freight vehicles to accelerate and get closer to posted speeds before merging over into the TH 169 mainline. The construction of this project is scheduled for 2022 and MnDOT has agreed to lead the construction of this project, which is phase one improvements planned for this area. In 2024, MnDOT has a TH 169 pavement improvement project and plans to complete a reduced conflict intersection at Bluff Drive as part of this project.

As part of the 2022 funding, the Township is responsible for providing design engineering, local construction match, and any needed right of way. The design is estimated at \$130,922.

County staff recommends allocating \$605,000 of funds to assist the Township with the 2022 project and funding for additional preliminary design work for the overpass vision that Sand Creek Township has developed for the area. Participation in these regional projects are consistent with the 2014 Transportation Sales Tax Implementation Plan and its identification of TH 169 Corridor projects for potential funding. These projects benefit the commuter and freight traffic on TH 169.

Staff recommends a 90% contribution to design services for the 2022 project and not to exceed \$117,830. The Township shall be responsible for the additional \$13,092 and any cost exceeding \$130,922. This requires entering into an Agreement with the Township for them to lead this work.

The remaining funds would be used to assist with the preliminary design of an overpass in the vicinity of bluff drive. The County is working collaboratively with the Township to seek grant funding for this and completing the preliminary design will improve the grant seeking opportunities for this portion of the project. It is the goal to seek grant funding to work with MnDOT to construct an overpass, in lieu of a reduced conflict intersection as planned in MnDOT's 2024 pavement project on TH 169.

In 2018 when the CPT 169-06 interchange project at TH 169/41/CH 78 was let, the County Board reserved funds from the programmed construction dollars in the 2018-2027 Transportation Improvement Program (TIP) to cover contract changes for the project. As of August 2020, a little over \$2.2 million remains in the project reserve and are not likely needed for the project closeout. It is recommended that \$605,000 of these funds be reallocated to the Sand Creek area design work. The Township will have their Township Engineer, Stantec Engineering, design the Berkshire Ave Extension Project. The overpass preliminary design will be done under a separate contract anticipated to begin in late 2020 or early 2021 after selecting a design consultant. This work will likely be led by Scott County.

Fiscal Impact:

The project, CPT 169-10, will utilize \$605,000 of Transportation Sales Tax funding currently held in reserve for construction supplemental agreements and cost overruns on the CPT 169-06, TH 169 and TH41 interchange project. These funds will not be needed for CPT169-06 for contract closeout.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-155
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION 2020-155; APPROVING AN AMENDMENT TO THE 2020-2029 TRANSPORTATION IMPROVEMENT PROGRAM TO ADD COUNTY PROJECT CPT 169-10 AND AUTHORIZING ENTERING INTO A COOPERATIVE AGREEMENT WITH SAND CREEK TOWNSHIP FOR PARTICIPATION IN THE BERKSHIRE AVENUE EXTENSION PROJECT DESIGN

WHEREAS, Sand Creek Township received Highway Safety Improvement Program (HSIP) funding from the Minnesota Department of Transportation to construct an extension of Berkshire Avenue in 2022; and

WHEREAS, the Township is responsible to provide design engineering for the 2022 HSIP project: and

WHEREAS, the County supports the Township's efforts to improve the safety on the regional roadway system; and

WHEREAS, the County desires to partner in the project by providing funding toward the design of the safety improvement; and

WHEREAS, the 2020-2029 Transportation Improvement Program (TIP) has \$2,233,274.79 of Transportation Sales Tax funds remaining of construction funds reserved for County Project (CPT)169-06; and

WHEREAS, \$605,000 of these programmed funds will be allocated from those remaining funds to CPT169-10 for design activities for the Berkshire Ave project and a future TH169 overpass; and

WHEREAS, upon execution of a Cooperative Agreement with Sand Creek Township, the County will authorize a not to exceed sum of \$117,830 for design services for the Township's Berkshire Avenue Extension.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the 2020-2029 Transportation Improvement Program is hereby amended to add CPT169-10 with \$605,000 of Transportation Sales Tax funds remaining from CPT169-06;

BE IT FURTHER RESOLVED that the Chairperson of the Board is authorized to enter into an Agreement with Sand Creek Township for design services not to exceed \$117,830.

BE IT FINALLY RESOLVED that approval of a Contract is subject to approval by the County Attorney's Office as to form.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

State of Minnesota)

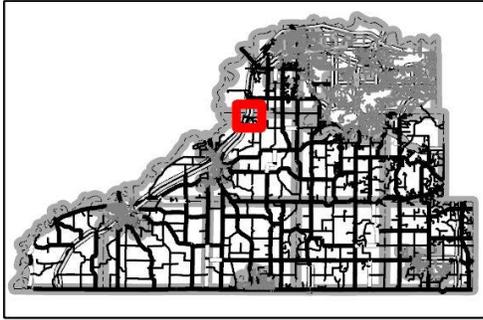
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October, 2020.

County Administrator

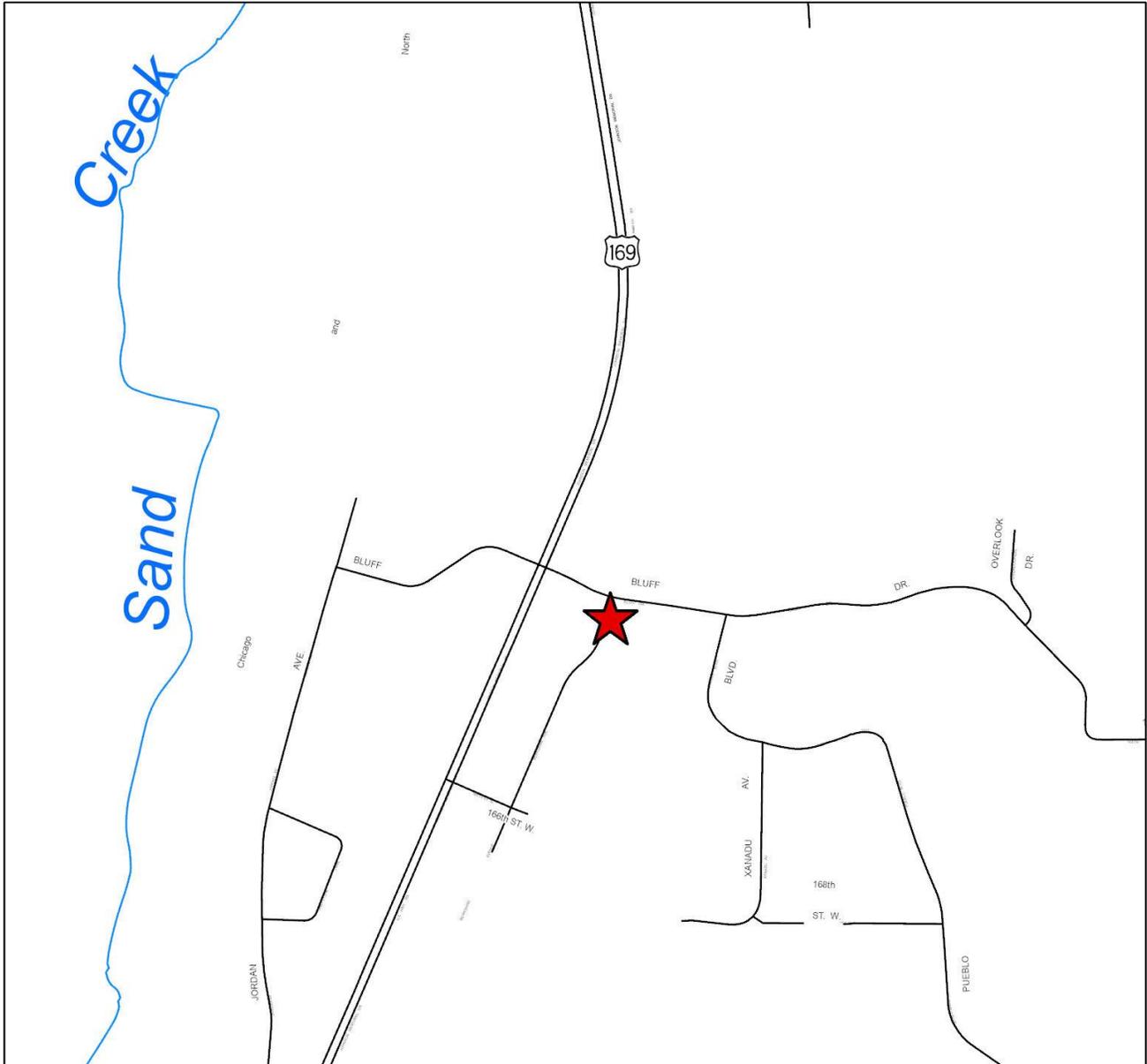
Administrator's Designee



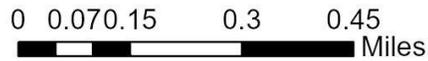
SCOTT COUNTY

2020 RBA

Cooperative Agreement with Sand Creek Township for Participation in the Berkshire Ave Extension Design



This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. Scott County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact the Scott County Surveyors Office.



Date: 9/23/2020

**AGENDA #6.4
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Planning & Res. Mgmt. Facilities Department	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Joe Wiita – 8063 Dustin Kruger - 8967	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	Law Enforcement Center Third Floor Courtroom Project	TIME REQUESTED:	N/A
ACTION REQUESTED:	Adopt Resolution 2020-156; Awarding the Contract to Kraus-Anderson Construction Company for the Construction of a New Courtroom on the Third Floor of the Law Enforcement Center in the Amount of \$2,161,563.58		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

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- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-156; Awarding the Contract to Kraus-Anderson Construction Company for the Construction of a New Courtroom on the Third Floor of the Law Enforcement Center (LEC) in the Amount of \$2,161,563.58.

Kraus-Anderson was selected as the General Contractor and will hold all the subcontractor contracts for this project. Kraus-Anderson will hold a single contract with Scott County in the amount indicated above. County staff remain involved in the decisions/execution of the project despite the shift in the delivery method.

The growing need for additional courtroom space in Scott County has brought this project to fruition. County and State judicial staff identified the need for a more versatile, functional courtroom in the Law Enforcement Center to support current and future needs. The scope of work includes:

- renovation of an existing area on the 3rd floor – allowing for a new full-size courtroom; and
- new holding cells and interview rooms; and
- upgraded mechanical and electrical work in the area.

This project will improve the overall court system in Scott County. The project will reduce the need for additional staff and increase the efficiency of court proceedings due to the courtroom’s proximity to the jail where inmates are housed.

The table below represents the bids received; contractors are not displayed as Kraus-Anderson has not officially executed contracts. That process will take place immediately following the Scott County Board Approval.

WS 01A General Conditions	\$87,536.96
WS 02A Demolition	\$65,544.14
WS 03A Concrete and Masonry	\$36,644.27
WS 05A Metals	\$21,988.62
WS 06A Carpentry	\$45,598.29
WS 06D Millwork	\$95,639.15
WS 08A Doors and Hardware	\$31,071.79
WS 09A Drywall	\$110,510.40
WS 09B Tile	\$3,443.18
WS 09C Ceilings	\$61,340.33
WS 09D Flooring	\$23,527.26
WS 09K Painting	\$28,454.97
WS 11C Detention	\$720,779.88
WS 21A Fire Suppression	\$30,318.33
WS 23A Mechanical	\$456,279.91
WS 26A Electrical	\$342,886.10
Proposal Total	\$2,161,563.58
The Percentage of NPP on this Proposal:	38.51%

The above bid tabulation represents the lowest responsible bidders. The total base bid for all bid scopes is \$2,161,563.58.

The engineer’s estimate for this bid package was \$2,200,000.00

The delta from the engineers estimate (Construction Bids ONLY) to the bids received is \$38,436.42

Fiscal Impact:

Bond funding will be used for this project; however, in order to utilize bond funding, a public hearing is required. The setting of the public hearing will be in October with the actual public hearing happening in November after the required number of weeks needed for publication in the official newspaper.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-156
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION NO. 2020-156; AWARDING THE CONTRACT TO KRAUS-ANDERSON CONSTRUCTION COMPANY FOR THE CONSTRUCTION OF A NEW COURTROOM ON THE THIRD FLOOR OF THE LAW ENFORCEMENT CENTER IN THE AMOUNT OF \$2,161,563.58

WHEREAS, in October 2019, Wold Architects and Engineers was selected to complete the design of the new courtroom; and

WHEREAS, in April 2018, Kraus-Anderson Construction Company was selected to provide Construction Management Services; and

WHEREAS, the listed bids on Attachment A represent the lowest responsible bidders; and

WHEREAS, the complete construction budget for this package, including general conditions, and all contingencies is \$2,161,563.58.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to enter into a Contract with Kraus-Anderson Construction Company.

BE IT FINALLY RESOLVED, that approval of this Contract is subject to approval by the County Attorney's Office as to form.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October, 2020.

County Administrator
Administrator's Designee

Attachment A

WS 01A General Conditions	\$87,536.96
WS 02A Demolition	\$65,544.14
WS 03A Concrete and Masonry	\$36,644.27
WS 05A Metals	\$21,988.62
WS 06A Carpentry	\$45,598.29
WS 06D Millwork	\$95,639.15
WS 08A Doors and Hardware	\$31,071.79
WS 09A Drywall	\$110,510.40
WS 09B Tile	\$3,443.18
WS 09C Ceilings	\$61,340.33
WS 09D Flooring	\$23,527.26
WS 09K Painting	\$28,454.97
WS 11C Detention	\$720,779.88
WS 21A Fire Suppression	\$30,318.33
WS 23A Mechanical	\$456,279.91
WS 26A Electrical	\$342,886.10
Proposal Total	\$2,161,563.58
The Percentage of NPP on this Proposal:	38.51%

**AGENDA #6.5
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	OMB Information Technology	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Janelle Day, IT Manager x8377	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	Firewall Grant	TIME REQUESTED:	N/A
ACTION REQUESTED:	Adopt Resolution No. 2020-158; Authorizing the Acceptance of Grant Funds From Homeland Security Emergency Management (HSEM) to Fund the Initial Investment of Two Next Generation Firewalls and Authorizing Up To \$180,000 in Additional Implementation, Hardware, and Subscriptions Costs to be Covered by Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input checked="" type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

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- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS: Greg Sorensen Janelle Day
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-158; Authorizing the Acceptance of Grant Funds From Homeland Security Emergency Management (HSEM) to Fund the Initial Investment of Two Next Generation Firewalls and Authorizing Up To \$180,000 in Additional Implementation, Hardware, and Subscriptions Costs to be Covered by Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19.

The Governor, through executive authority and a legislative review committee, has allocated and dispersed Local Government Assistance in the CARES Act based on population targets to Counties, Cities and Townships throughout the state. Scott County has received \$17,719,998.

The CARES Act sets criteria that expenses must meet to be eligible for CRF funding and are subject to state and federal audits. Criteria includes:

1. Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. Costs not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

At a Board Workshop on July 7, 2020 the Scott County Board discussed its priorities for dissemination of the CARES funds. Included in those priorities was the need to cover increased operational costs directly related to the COVID-19 pandemic, as well as to provide needed items to allow for remote service delivery and teleworking of Scott County employees.

The Scott County Capital Improvement Governance team reviewed and scored internal submittals for use of the CARES funds following County Board, State and Federal guidance. Through this process the firewall project was identified as a high priority to maintain the security and capacity of our network for continued teleworking services and recommended approval to the County Board.

If awarded, the Grant will fund the initial investment of \$327,887.26 for two firewalls, 3 years maintenance, and 3 years license subscription.

Grant funds would be used to replace the existing firewalls purchased in 2015. Due to the capacity limitations (Gigabits per second (Gbps) throughput) of the existing firewalls, the increased amount of network traffic, and the amount of data the County plans to migrate to the Cloud over the next 6 to 9 months, latency issues are a concern. Also, with the increase in the amount of teleworking there has been a significant increase in Internet utilization causing the firewall to be pushed to its capacity. The existing firewalls do not support a larger Internet circuit size. In addition, the firewall protects the network from the outside world. Industry best practices recommend these devices be replaced every 5 years as they are continuously evolving to combat security challenges.

The Grant requires the County to participate in the Statewide Security Monitoring Initiative (SSMI). The SSMI enables collaboration and cost sharing between local government and state agencies. This security monitoring collaboration is for network perimeter security monitoring that:

- Provides Intrusion Detection/Prevention Services (IDS/IPS) to Counties via locally installed firewall/IPS appliances; and
- Provides IDS/IPS administration and support as needed/requested; and
- Provides secure Log Management services to Counties via the State's Enterprise Log Management infrastructure for IDS/IPS, firewall, network infrastructure, and other security systems activity and alert logs; and
- Provides Security Information and Event Management (SIEM) analysis of the activity log data provided by the IDS/IPS, firewall, network infrastructure, and other security systems activity and alert logs; and
- Provides improved Statewide situational awareness due to the comprehensive view of activity and security events from networks, systems and devices throughout Minnesota Information Technology (MNIT); and
- Provides event detection, incident verification, and incident response support for suspicious, malicious, and other network events.

As a participant in the SSMI, the County is required to:

- Participate in the SSMI grant administration meetings, and user group forums as needed; and
- Provide technical resources and information to provide the "best fit" design for security appliances in the County networks to meet the network security needs of the County and the monitoring and

- analysis goals of the SSMI project; and
- Assist in the design, implementation, and maintenance of any security appliances provided by MN.IT Services as part of the SSMI project and/or the DPS/HSEM Grant programs; and
- Configure all network security and infrastructure related devices to log activity and alert events to the Log Management and SIEM infrastructures; and
- Host discrete and/or virtual server(s) to aid in the collection and transmission of activity and alert events to the Log Management and SIEM infrastructures; and
- Provide timely feedback and information related to network traffic and/or conditions thought to be suspicious or malicious; and
- Provide rack or mounting space, electrical power, and cooling as needed for security appliances; and
- The County agrees to use State network services and security infrastructures in accordance with state and federal regulations.

The additional funds will be utilized for costs not covered by the Grant, which includes implementation costs, additional hardware, and a County specific security subscription. The usage of these funds for this purpose are considered allowable based on guidance provided by the U.S. Department of the Treasury. All of the items listed above fit within the following areas of the guidance:

- Cover the costs of teleworking improvement for employees. The primary focus of these funds is to bring the County's firewall system up in capacity in order to continue to allow teleworking by employees. The current firewall is at its capacity due to the significant increase in bandwidth usage that was unexpected and planned to be on-going. This will continue to provide remote work capabilities for employees that allow for the County to meet COVID-19 public health precautions.
 - Authorized under "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020" - "Nonexclusive examples of eligible expenditures" – Number 4 "Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."

Fiscal Impact:

The Grant will cover the initial purchase of the hardware, 3-years maintenance and 3-years license subscription, with the County needing to cover some additional hardware, implementation and additional security subscription costs for a maximum of \$180,000, to be covered by CARES Act Funds. After the initial 3 years, the County will be responsible for absorbing the continued maintenance and licensing costs. The on-going costs, starting in 2024, is estimated at approximately \$126,546 in additional levy support.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-158
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION NO. 2020-158; AUTHORIZING THE ACCEPTANCE OF GRANT FUNDS FROM THE HOMELAND SECURITY EMERGENCY MANAGEMENT (HSEM) TO FUND THE INITIAL INVESTMENT OF TWO NEXT GENERATION FIREWALLS AND AUTHORIZING UPTO \$180,000 IN ADDITIONAL IMPLEMENTATION, HARDWARE AND SUBSCRIPTIONS COSTS TO BE COVERED BY CARES ACT FUNDS.

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, businesses, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, on July 29, 2020 Scott County was provided an allocation of \$17,719,998 from the State of Minnesota from the Federal CARES Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020" (The Guidance), attached and hereby incorporated as Exhibit A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Frequently Asked Questions Updated As of September 2, 2020" (The Frequently Asked Questions), attached and hereby incorporated as Exhibit B, provides additional information on eligible costs; and

WHEREAS, the Guidance states that CARES Act funds may be used to "...improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-158
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, the Homeland Security Emergency Management (HSEM) and Minnesota Information Technology (MNIT) Enterprise Security Office (ESO) provides funding for cybersecurity initiatives to monitor statewide situational awareness; and

WHEREAS, to accept the Grant Scott County is required to participate in the Statewide Security Monitoring Initiative (SSMI). The SSMI enables collaboration and cost sharing between local government and state agencies; and

WHEREAS, a participant in the SSMI, the County to is required to maintain user security and network requirements; and

WHEREAS, the County agrees to use State network services and security infrastructures in accordance with State and Federal regulations; and

WHEREAS, the plan for this Grant, if accepted, would be to implement two Next Generation Firewalls and participate in the SSMI program,

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the County Administrator is authorized to accept a Grant from Homeland Security Emergency Management (HSEM) in the amount of \$327,887.26 and authorizing up to \$180,000 in additional implementation, hardware and subscription costs to be covered by CARES Act funds.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator

Administrator's Designee

Exhibit A

Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated September 2, 2020¹

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.²

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

¹ On June 30, 2020, the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020” was updated. On September 2, 2020, the “Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees” and “Supplemental Guidance on Use of Funds to Cover Administrative Costs” sections were added.

² See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020,

will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures³

The following is a list of examples of costs that would not be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.⁴
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

³ In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

⁴ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees

As discussed in the Guidance above, the CARES Act provides that payments from the Fund must be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As reflected in the Guidance and FAQs, Treasury has not interpreted this provision to limit eligible costs to those that are incremental increases above amounts previously budgeted. Rather, Treasury has interpreted this provision to exclude items that were already covered for their original use (or a substantially similar use). This guidance reflects the intent behind the Fund, which was not to provide general fiscal assistance to state governments but rather to assist them with COVID-19-related necessary expenditures. With respect to personnel expenses, though the Fund was not intended to be used to cover government payroll expenses generally, the Fund was intended to provide assistance to address increased expenses, such as the expense of hiring new personnel as needed to assist with the government's response to the public health emergency and to allow recipients facing budget pressures not to have to lay off or furlough employees who would be needed to assist with that purpose.

Substantially different use

As stated in the Guidance above, Treasury considers the requirement that payments from the Fund be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020, to be met if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a *substantially different use* from any expected use of funds in such a line item, allotment, or allocation.

Treasury has provided examples as to what would constitute a substantially different use. Treasury provided (in FAQ A.3) that costs incurred for a substantially different use would include, for example, the costs of redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Substantially dedicated

Within this category of substantially different uses, as stated in the Guidance above, Treasury has included payroll and benefits expenses for public safety, public health, health care, human services, and similar employees whose services are *substantially dedicated* to mitigating or responding to the COVID-19 public health emergency. The *full amount* of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what "substantially dedicated" means given that there is not a precise way to define this term

across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.

If an employee is not substantially dedicated to mitigating or responding to the COVID-19 public health emergency, his or her payroll and benefits expenses may not be covered *in full* with payments from the Fund. A *portion* of such expenses may be able to be covered, however, as discussed below.

Public health and public safety

In recognition of the particular importance of public health and public safety workers to State, local, and tribal government responses to the public health emergency, Treasury has provided, as an administrative accommodation, that a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 30, 2020.

In response to questions regarding which employees are within the scope of this accommodation, Treasury is supplementing this guidance to clarify that public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (*e.g.*, laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Not substantially dedicated

As provided in FAQ A.47, a State, local, or tribal government may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees’ time dedicated to mitigating or responding to the COVID-19 public health emergency. This result provides equitable treatment to governments that, for example, instead of having a few employees who are substantially dedicated to the public health emergency, have many employees who have a minority of their time dedicated to the public health emergency.

Covered benefits

Payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund to the extent incurred between March 1 and December 30, 2020.

Payroll includes certain hazard pay and overtime, but not workforce bonuses. As discussed in FAQ A.29, hazard pay may be covered using payments from the Fund if it is provided for performing hazardous duty or work involving physical hardship that in each case is related to COVID-19. This means that, whereas payroll and benefits of an employee who is substantially dedicated to mitigating or responding to the COVID-19 public health emergency may generally be covered in full using payments from the Fund, hazard pay specifically may only be covered to the extent it is related to COVID-19. For example, a recipient may use payments from the Fund to cover hazard pay for a police officer coming in close

contact with members of the public to enforce public health or public safety orders, but across-the-board hazard pay for all members of a police department regardless of their duties would not be able to be covered with payments from the Fund. This position reflects the statutory intent discussed above: the Fund was intended to be used to help governments address the public health emergency both by providing funds for incremental expenses (such as hazard pay related to COVID-19) and to allow governments not to have to furlough or lay off employees needed to address the public health emergency but was not intended to provide across-the-board budget support (as would be the case if hazard pay regardless of its relation to COVID-19 or workforce bonuses were permitted to be covered using payments from the Fund).

Relatedly, both hazard pay and overtime pay for employees that are not substantially dedicated may only be covered using the Fund if the hazard pay and overtime pay is for COVID-19-related duties. As discussed above, governments may allocate payroll and benefits of such employees with respect to time worked on COVID-19-related matters.

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

Supplemental Guidance on Use of Funds to Cover Administrative Costs

General

Payments from the Fund are not administered as part of a traditional grant program and the provisions of the Uniform Guidance, 2 C.F.R. Part 200, that are applicable to indirect costs do not apply. Recipients may not apply their indirect costs rates to payments received from the Fund.

Recipients may, if they meet the conditions specified in the guidance for tracking time consistently across a department, use payments from the Fund to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency. (In other words, such costs would be eligible direct costs of the recipient). This includes, but is not limited to, costs related to disbursing payments from the Fund and managing new grant programs established using payments from the Fund.

As with any other costs to be covered using payments from the Fund, any such administrative costs must be incurred by December 30, 2020, with an exception for certain compliance costs as discussed below. Furthermore, as discussed in the Guidance above, as with any other cost, an administrative cost that has been or will be reimbursed under any federal program may not be covered with the Fund. For example, if an administrative cost is already being covered as a direct or indirect cost pursuant to another federal grant, the Fund may not be used to cover that cost.

Compliance costs related to the Fund

As previously stated in FAQ B.11, recipients are permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act, subject to the limitations set forth in 2 C.F.R. § 200.425. Pursuant to that provision of the Uniform Guidance, recipients and subrecipients subject to the Single Audit Act may use payments from the Fund to cover a reasonably proportionate share of the costs of audits attributable to the Fund.

To the extent a cost is incurred by December 30, 2020, for an eligible use consistent with section 601 of the Social Security Act and Treasury's guidance, a necessary administrative compliance expense that relates to such underlying cost may be incurred after December 30, 2020. Such an expense would include, for example, expenses incurred to comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General. A recipient with such necessary administrative expenses, such as an ongoing audit continuing past December 30, 2020, that relates to Fund expenditures incurred during the covered period, must report to the Treasury Office of Inspector General by the quarter ending September 2021 an estimate of the amount of such necessary administrative expenses.

Exhibit B

Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020¹

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).² Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

A. Eligible Expenditures

1. *Are governments required to submit proposed expenditures to Treasury for approval?*

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?*

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?*

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

¹ On August 10, 2020, these Frequently Asked Questions were revised to add Questions A.49–52. On September 2, 2020, Questions A.53–56 were added, and Questions A.34 and A.38 were revised.

² The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

4. *May a State receiving a payment transfer funds to a local government?*

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?*

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?*

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?*

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?*

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?*

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?*

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?*

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?*

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?*

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?*

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

15. *May Fund payments be used for COVID-19 public health emergency recovery planning?*

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

16. *Are expenses associated with contact tracing eligible?*

Yes, expenses associated with contact tracing are eligible.

17. *To what extent may a government use Fund payments to support the operations of private hospitals?*

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?*

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?*

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?*

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

21. *May recipients create a “payroll support program” for public employees?*

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?*

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?*

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?*

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?*

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?*

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?*

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?*

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?*

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?*

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?*

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?*

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?*

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

34. *May a State impose restrictions on transfers of funds to local governments?*

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions, such as restrictions on reopening that do not directly concern the use of funds, are not permissible.

35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?*

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?*

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?*

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?*

No. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. Payments from the fund may only be used to cover such hazard pay.

39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?*

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

40. *May recipients use Fund payments to provide loans?*

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?*

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?*

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?*

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?*

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?*

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?*

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?*

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?*

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

49. Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

50. At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

51. If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

52. If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

53. May Fund recipients incur expenses associated with the safe reopening of schools?

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

54. *May Fund recipients upgrade critical public health infrastructure, such as providing access to running water for individuals and families in rural and tribal areas to allow them to maintain proper hygiene and defend themselves against the virus?*

Yes, fund recipients may use payments from the Fund to upgrade public health infrastructure, such as providing individuals and families access to running water to help reduce the further spread of the virus. As required by the CARES Act, expenses associated with such upgrades must be incurred by December 30, 2020. Please see Treasury’s Guidance as updated on June 30 regarding when a cost is considered to be incurred for purposes of the requirement that expenses be incurred within the covered period.

55. *How does a government address the requirement that the allowable expenditures are not accounted for in the budget most recently approved as of March 27, 2020, once the government enters its new budget year on July 1, 2020 (for governments with June 30 fiscal year ends) or October 1, 2020 (for governments with September 30 year ends)?*

As provided in the Guidance, the “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Furthermore, the budget most recently approved as of March 27, 2020, provides the spending baseline against which expenditures should be compared for purposes of determining whether they may be covered using payments from the Fund. This spending baseline will carry forward to a subsequent budget year if a Fund recipient enters a different budget year between March 27, 2020 and December 30, 2020. The spending baseline may be carried forward without adjustment for inflation.

56. *Does the National Environmental Policy Act, 42 U.S.C. § 4321 et seq, (NEPA) apply to projects supported by payments from the Fund?*

NEPA does not apply to Treasury’s administration of the Fund. Projects supported with payments from the Fund may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

B. Questions Related to Administration of Fund Payments

1. *Do governments have to return unspent funds to Treasury?*

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

2. *What records must be kept by governments receiving payment?*

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

3. *May recipients deposit Fund payments into interest bearing accounts?*

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

4. *May governments retain assets purchased with payments from the Fund?*

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?*

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?*

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?*

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

8. *Are Fund payments subject to other requirements of the Uniform Guidance?*

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?*

Yes. The CFDA number assigned to the Fund is 21.019.

10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?*

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?*

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?*

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.6
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Administration	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Lisa Freese	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	COVID 19	TIME REQUESTED:	N/A
ACTION REQUESTED:	Adopt Resolution No. 2020-159; Authorizing an Amendment to the Sub-Recipient Agreement With the Scott County Community Development Agency for Administration of the Mortgage and Business Support Program to Add \$64,000 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to Develop a Consolidated Jobs Website		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input checked="" type="checkbox"/> Risk Management Review	FISCAL:	<input checked="" type="checkbox"/> Finance Review <input checked="" type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this request is to adopt Resolution No. 2020-159; Authorizing an Amendment to the Sub-Recipient Agreement With the Scott County Community Development Agency for Administration of the Mortgage and Business Support Program to Add \$64,000 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding to Develop a Consolidated Jobs Website.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

At a Board Workshop on July 7, 2020 the Scott County Board discussed its priorities for dissemination of the CARES funds. Included in those priorities was the need to cover increased operational costs directly related to the COVID-19 pandemic, as well as to provide needed items to allow for remote service delivery and teleworking of Scott County employees.

After conducting nonprofit and food support solicitation for the CARES program approved by the Board Resolution No. 2020-128 on August 18, 2020, approximately \$120,000 of CARES funding remains in that area of the CARES program. With near 7% of the County labor force, over 7,000 residents, still seeking jobs, the Scott County Community Development Agency and its First Stop Shop have requested consideration to use CARES funding for the development of a consolidated jobseekers' website. This website concept was a recommendation of the Live, Learn, Earn initiative and both the CDA and Scott County Work Force Assistance staff see this benefiting both employers and job seekers. It would be a one stop location for residents to access job openings in Scott County. This resource will help our employers recruit residents for their job openings and help our residents unemployed due to COVID find all local job openings. The CDA will be able to have the website operational before November 30, 2020.

The Website would be housed and managed at the Scott County Community Development Authority (CDA). The CDA will be contracting with Chmura Economics and Analytics who will provide the technology infrastructure which will allow for jobs openings from Scott County to be pulled from employer websites and populated on this site daily. This information can be marketed to local residents to increase connections from employers and residents. Zeb Carlson Consulting will be doing the web development and integration design with the Chmura job feed tool.

The CDA is administering both the COVID-19 mortgage and business assistance programs for Scott County and its existing agreement would be amended to add this website development and funding. This is consistent with the Board's goal of keeping County Businesses operative and helping residents unemployed due to COVID-19.

Fiscal Impact:

Scott County has received \$17,719,998 in CARES relief funds. By a resolution on August 4, 2020, a CARES Act Special Revenue Fund was created, and the transfer to the CDA will utilize these funds. These purchases will be coded to utilize these funds, having no impact on the Scott County operating budget.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-159
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION NO. 2020-159; AUTHORIZING AN AMENDMENT TO THE SUB-RECIPIENT AGREEMENT WITH THE SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY FOR ADMINISTRATION OF THE MORTGAGE AND BUSINESS SUPPORT PROGRAMS TO ADD \$64,000 OF THE CARES FUNDING TO DEVELOP A CONSOLIDATED JOBS WEBSITE

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, businesses, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, on July 29, 2020 Scott County was provided an allocation of \$17,719,998 from the State of Minnesota from the Federal CARES Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desires the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020" (The Guidance), attached and hereby incorporated as Exhibit A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Frequently Asked Questions Updated As of September 2, 2020" (The Frequently Asked Questions), attached and hereby incorporated as Exhibit B, provides additional information on eligible costs; and

WHEREAS, the use of these funds to develop a job seekers website is consistent with the US treasury guidance as it assists dislocated workers due to COVID-19 and helps employers find available workers to fill new positions; and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-XX
Motion by Commissioner:	
Seconded by Commissioner:	

NOW, THEREFORE, BE IT RESOLVED, That the Scott County Board of Commissioners hereby approves the following amendment to the subrecipient agreement with the Scott County Community Development Agency, to utilize \$64,000 of CARES funding, remaining from its Food and Nonprofit Covid-19 programs, to develop a centralized job seeking website that will benefit employers and residents seeking employment due to job loss resulting from COVID-19 impacts.

BE IT FURTHER RESOLVED, the Board provides the County Administrator the flexibility to adjust the dollar amounts based on the actual cost and need.

BE IT FURTHER RESOLVED, the purchase or expenditure of these funds will follow all County, State, and Federal procurement requirements for the use of such funds.

BE IT FINALLY RESOLVED, that approval of the Agreement is subject to approval by the County Attorney's Office as to form.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator
Administrator's Designee

Exhibit A

Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated September 2, 2020¹

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.²

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

¹ On June 30, 2020, the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020” was updated. On September 2, 2020, the “Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees” and “Supplemental Guidance on Use of Funds to Cover Administrative Costs” sections were added.

² See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period but not otherwise. Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, *e.g.*, the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020,

will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient's control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures³

The following is a list of examples of costs that would not be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.⁴
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

³ In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

⁴ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

Supplemental Guidance on Use of Funds to Cover Payroll and Benefits of Public Employees

As discussed in the Guidance above, the CARES Act provides that payments from the Fund must be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As reflected in the Guidance and FAQs, Treasury has not interpreted this provision to limit eligible costs to those that are incremental increases above amounts previously budgeted. Rather, Treasury has interpreted this provision to exclude items that were already covered for their original use (or a substantially similar use). This guidance reflects the intent behind the Fund, which was not to provide general fiscal assistance to state governments but rather to assist them with COVID-19-related necessary expenditures. With respect to personnel expenses, though the Fund was not intended to be used to cover government payroll expenses generally, the Fund was intended to provide assistance to address increased expenses, such as the expense of hiring new personnel as needed to assist with the government's response to the public health emergency and to allow recipients facing budget pressures not to have to lay off or furlough employees who would be needed to assist with that purpose.

Substantially different use

As stated in the Guidance above, Treasury considers the requirement that payments from the Fund be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020, to be met if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a *substantially different use* from any expected use of funds in such a line item, allotment, or allocation.

Treasury has provided examples as to what would constitute a substantially different use. Treasury provided (in FAQ A.3) that costs incurred for a substantially different use would include, for example, the costs of redeploying educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Substantially dedicated

Within this category of substantially different uses, as stated in the Guidance above, Treasury has included payroll and benefits expenses for public safety, public health, health care, human services, and similar employees whose services are *substantially dedicated* to mitigating or responding to the COVID-19 public health emergency. The *full amount* of payroll and benefits expenses of substantially dedicated employees may be covered using payments from the Fund. Treasury has not developed a precise definition of what "substantially dedicated" means given that there is not a precise way to define this term

across different employment types. The relevant unit of government should maintain documentation of the “substantially dedicated” conclusion with respect to its employees.

If an employee is not substantially dedicated to mitigating or responding to the COVID-19 public health emergency, his or her payroll and benefits expenses may not be covered *in full* with payments from the Fund. A *portion* of such expenses may be able to be covered, however, as discussed below.

Public health and public safety

In recognition of the particular importance of public health and public safety workers to State, local, and tribal government responses to the public health emergency, Treasury has provided, as an administrative accommodation, that a State, local, or tribal government may presume that public health and public safety employees meet the substantially dedicated test, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise. This means that, if this presumption applies, work performed by such employees is considered to be a substantially different use than accounted for in the most recently approved budget as of March 27, 2020. All costs of such employees may be covered using payments from the Fund for services provided during the period that begins on March 1, 2020, and ends on December 30, 2020.

In response to questions regarding which employees are within the scope of this accommodation, Treasury is supplementing this guidance to clarify that public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.

Not substantially dedicated

As provided in FAQ A.47, a State, local, or tribal government may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department. This means, for example, that a government could cover payroll expenses allocated on an hourly basis to employees’ time dedicated to mitigating or responding to the COVID-19 public health emergency. This result provides equitable treatment to governments that, for example, instead of having a few employees who are substantially dedicated to the public health emergency, have many employees who have a minority of their time dedicated to the public health emergency.

Covered benefits

Payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund to the extent incurred between March 1 and December 30, 2020.

Payroll includes certain hazard pay and overtime, but not workforce bonuses. As discussed in FAQ A.29, hazard pay may be covered using payments from the Fund if it is provided for performing hazardous duty or work involving physical hardship that in each case is related to COVID-19. This means that, whereas payroll and benefits of an employee who is substantially dedicated to mitigating or responding to the COVID-19 public health emergency may generally be covered in full using payments from the Fund, hazard pay specifically may only be covered to the extent it is related to COVID-19. For example, a recipient may use payments from the Fund to cover hazard pay for a police officer coming in close

contact with members of the public to enforce public health or public safety orders, but across-the-board hazard pay for all members of a police department regardless of their duties would not be able to be covered with payments from the Fund. This position reflects the statutory intent discussed above: the Fund was intended to be used to help governments address the public health emergency both by providing funds for incremental expenses (such as hazard pay related to COVID-19) and to allow governments not to have to furlough or lay off employees needed to address the public health emergency but was not intended to provide across-the-board budget support (as would be the case if hazard pay regardless of its relation to COVID-19 or workforce bonuses were permitted to be covered using payments from the Fund).

Relatedly, both hazard pay and overtime pay for employees that are not substantially dedicated may only be covered using the Fund if the hazard pay and overtime pay is for COVID-19-related duties. As discussed above, governments may allocate payroll and benefits of such employees with respect to time worked on COVID-19-related matters.

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

Supplemental Guidance on Use of Funds to Cover Administrative Costs

General

Payments from the Fund are not administered as part of a traditional grant program and the provisions of the Uniform Guidance, 2 C.F.R. Part 200, that are applicable to indirect costs do not apply. Recipients may not apply their indirect costs rates to payments received from the Fund.

Recipients may, if they meet the conditions specified in the guidance for tracking time consistently across a department, use payments from the Fund to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency. (In other words, such costs would be eligible direct costs of the recipient). This includes, but is not limited to, costs related to disbursing payments from the Fund and managing new grant programs established using payments from the Fund.

As with any other costs to be covered using payments from the Fund, any such administrative costs must be incurred by December 30, 2020, with an exception for certain compliance costs as discussed below. Furthermore, as discussed in the Guidance above, as with any other cost, an administrative cost that has been or will be reimbursed under any federal program may not be covered with the Fund. For example, if an administrative cost is already being covered as a direct or indirect cost pursuant to another federal grant, the Fund may not be used to cover that cost.

Compliance costs related to the Fund

As previously stated in FAQ B.11, recipients are permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act, subject to the limitations set forth in 2 C.F.R. § 200.425. Pursuant to that provision of the Uniform Guidance, recipients and subrecipients subject to the Single Audit Act may use payments from the Fund to cover a reasonably proportionate share of the costs of audits attributable to the Fund.

To the extent a cost is incurred by December 30, 2020, for an eligible use consistent with section 601 of the Social Security Act and Treasury's guidance, a necessary administrative compliance expense that relates to such underlying cost may be incurred after December 30, 2020. Such an expense would include, for example, expenses incurred to comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General. A recipient with such necessary administrative expenses, such as an ongoing audit continuing past December 30, 2020, that relates to Fund expenditures incurred during the covered period, must report to the Treasury Office of Inspector General by the quarter ending September 2021 an estimate of the amount of such necessary administrative expenses.

Exhibit B

Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020¹

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).² Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

A. Eligible Expenditures

1. *Are governments required to submit proposed expenditures to Treasury for approval?*

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

2. *The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?*

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

3. *The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?*

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

¹ On August 10, 2020, these Frequently Asked Questions were revised to add Questions A.49–52. On September 2, 2020, Questions A.53–56 were added, and Questions A.34 and A.38 were revised.

² The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

4. *May a State receiving a payment transfer funds to a local government?*

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

5. *May a unit of local government receiving a Fund payment transfer funds to another unit of government?*

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

6. *Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?*

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

7. *Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?*

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

8. *Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?*

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

9. *Are States permitted to use Fund payments to support state unemployment insurance funds generally?*

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

10. *Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?*

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

11. *The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?*

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

12. *In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?*

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

13. *If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?*

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

14. *May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?*

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

15. *May Fund payments be used for COVID-19 public health emergency recovery planning?*

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

16. *Are expenses associated with contact tracing eligible?*

Yes, expenses associated with contact tracing are eligible.

17. *To what extent may a government use Fund payments to support the operations of private hospitals?*

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

18. *May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?*

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

19. *May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?*

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

20. *Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?*

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

21. *May recipients create a “payroll support program” for public employees?*

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

22. *May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?*

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

23. *May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?*

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

24. *The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?*

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

25. *The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?*

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

26. *May Fund payments be used to assist impacted property owners with the payment of their property taxes?*

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

27. *May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?*

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

28. *Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?*

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

29. *The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?*

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

30. *The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?*

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

31. *May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?*

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

32. *Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?*

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

33. *Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?*

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

34. *May a State impose restrictions on transfers of funds to local governments?*

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions, such as restrictions on reopening that do not directly concern the use of funds, are not permissible.

35. *If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?*

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

36. *May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?*

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

37. *Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?*

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

38. *May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?*

No. Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19. Payments from the fund may only be used to cover such hazard pay.

39. *May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?*

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

40. *May recipients use Fund payments to provide loans?*

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

41. *May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?*

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

42. *May funds be used to satisfy non-federal matching requirements under the Stafford Act?*

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

43. *Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?*

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

44. *May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?*

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

45. *May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?*

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

46. *May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?*

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

47. *The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?*

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

48. *May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?*

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

49. Are States permitted to use Coronavirus Relief Fund payments to satisfy non-federal matching requirements under the Stafford Act, including “lost wages assistance” authorized by the Presidential Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (August 8, 2020)?

Yes. As previous guidance has stated, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund’s eligibility criteria and the Stafford Act. States are fully permitted to use payments from the Fund to satisfy 100% of their cost share for lost wages assistance recently made available under the Stafford Act.

50. At what point would costs be considered to be incurred in the case of a grant made by a State, local, or tribal government to cover interest and principal amounts of a loan, such as might be provided as part of a small business assistance program in which the loan is made by a private institution?

A grant made to cover interest and principal costs of a loan, including interest and principal due after the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”), will be considered to be incurred during the covered period if (i) the full amount of the loan is advanced to the borrower within the covered period and (ii) the proceeds of the loan are used by the borrower to cover expenses incurred during the covered period. In addition, if these conditions are met, the amount of the grant will be considered to have been used during the covered period for purposes of the requirement that expenses be incurred within the covered period. Such a grant would be analogous to a loan provided by the Fund recipient itself that incorporates similar loan forgiveness provisions. As with any other assistance provided by a Fund recipient, such a grant would need to be determined by the recipient to be necessary due to the public health emergency.

51. If governments use Fund payments as described in the Guidance to establish a grant program to support businesses, would those funds be considered gross income taxable to a business receiving the grant under the Internal Revenue Code (Code)?

Please see the answer provided by the Internal Revenue Service (IRS) available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

52. If governments use Fund payments as described in the Guidance to establish a loan program to support businesses, would those funds be considered gross income taxable to a business receiving the loan under the Code?

Please see the answer provided by the IRS available at <https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions>.

53. May Fund recipients incur expenses associated with the safe reopening of schools?

Yes, payments from the Fund may be used to cover costs associated with providing distance learning (e.g., the cost of laptops to provide to students) or for in-person learning (e.g., the cost of acquiring personal protective equipment for students attending schools in-person or other costs associated with meeting Centers for Disease Control guidelines).

To this end, as an administrative convenience, Treasury will presume that expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.

54. *May Fund recipients upgrade critical public health infrastructure, such as providing access to running water for individuals and families in rural and tribal areas to allow them to maintain proper hygiene and defend themselves against the virus?*

Yes, fund recipients may use payments from the Fund to upgrade public health infrastructure, such as providing individuals and families access to running water to help reduce the further spread of the virus. As required by the CARES Act, expenses associated with such upgrades must be incurred by December 30, 2020. Please see Treasury’s Guidance as updated on June 30 regarding when a cost is considered to be incurred for purposes of the requirement that expenses be incurred within the covered period.

55. *How does a government address the requirement that the allowable expenditures are not accounted for in the budget most recently approved as of March 27, 2020, once the government enters its new budget year on July 1, 2020 (for governments with June 30 fiscal year ends) or October 1, 2020 (for governments with September 30 year ends)?*

As provided in the Guidance, the “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Furthermore, the budget most recently approved as of March 27, 2020, provides the spending baseline against which expenditures should be compared for purposes of determining whether they may be covered using payments from the Fund. This spending baseline will carry forward to a subsequent budget year if a Fund recipient enters a different budget year between March 27, 2020 and December 30, 2020. The spending baseline may be carried forward without adjustment for inflation.

56. *Does the National Environmental Policy Act, 42 U.S.C. § 4321 et seq, (NEPA) apply to projects supported by payments from the Fund?*

NEPA does not apply to Treasury’s administration of the Fund. Projects supported with payments from the Fund may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

B. Questions Related to Administration of Fund Payments

1. *Do governments have to return unspent funds to Treasury?*

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

2. *What records must be kept by governments receiving payment?*

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

3. *May recipients deposit Fund payments into interest bearing accounts?*

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

4. *May governments retain assets purchased with payments from the Fund?*

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

5. *What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?*

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

6. *Are Fund payments to State, territorial, local, and tribal governments considered grants?*

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

7. *Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?*

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

8. *Are Fund payments subject to other requirements of the Uniform Guidance?*

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

9. *Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?*

Yes. The CFDA number assigned to the Fund is 21.019.

10. *If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?*

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

11. *Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?*

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

12. *If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?*

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA #6.7
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Sheriff Operations	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Luke Hennen	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:		TIME REQUESTED:	
ACTION REQUESTED:	Adopt Resolution No. 2020-157; Approving an Agreement With Credit River to Provide Law Enforcement Services Within Its Political Boundaries		
CONTRACT/POLICY/GRANT:	<input checked="" type="checkbox"/> County Attorney Review <input checked="" type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input checked="" type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-157; Approving an Agreement With Credit River to Provide Law Enforcement Services Within Its Political Boundaries

At the September 15th County Board meeting, Resolution No. 2020-145 was adopted, supporting the proposed incorporation of Credit River Township as a city. A requirement for incorporation is law enforcement services; therefore, Credit River has requested contracted service, effective January 4, 2021.

The Agreement is for five years, with no termination option for the first two years. Service will include one deputy and squad for forty hours per week, for:

- 1) Patrolling residential areas, roadways, businesses, parks, and other public property; and
- 2) Enforcement of Minnesota State Statutes and the ordinances of Credit River; and
- 3) Traffic enforcement, including the regular use of radar or laser as a speed deterrent; and
- 4) Criminal investigation and crime lab services; and
- 5) Response to police, medical, fire, and other emergencies; and
- 6) Dispatching and other necessary communication services; and
- 7) Driver's license inspections, background checks, and license enforcement services as required under applicable State law and Credit River ordinances; and
- 8) Enforcement of the Juvenile Code of the State of Minnesota, as applicable; and
- 9) Such other law enforcement functions and services as may be requested by Credit River and which encompass the duties and functions of the type customarily performed by a municipal police force.

Emergency call response will also continue to be provided 24/7/365.

Credit River will furnish a workspace and furniture with high-speed internet connectivity within the Township Hall, for the deputy to work. The Sheriff, in consultation with Credit River, shall determine the days and times and how patrol service shall be provided, and may periodically change the patrol schedule in order to maximize the effectiveness of the coverage.

The Agreement contains an Exhibit listing all expenses that contribute to an initial annual cost of \$173,034.45. Of that amount, \$16,225 is the sum of one-time startup costs. Annually, the cost will be adjusted to reflect current wages, operational contracts, and State Police Aid.

Upon approval, the Sheriff's Office will hire an additional deputy to begin January 4, 2021. A current deputy will be assigned to Credit River, to allow for the new hire's training program. The addition of a full-time deputy will not only service this contract, but also increase resources for the County's own schedule of overtime shifts.

Fiscal Impact:

Upon approval, adjustments will be made to the Sheriff's 2021 budget, for the revenue and expenses.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-157
Motion by Commissioner:	
Seconded by Commissioner:	

**RESOLUTION NO. 2020-157; APPROVING AN AGREEMENT WITH CREDIT RIVER TO PROVIDE
LAW ENFORCEMENT SERVICES WITHIN ITS POLITICAL BOUNDARIES**

WHEREAS, Credit River is in the process of incorporating to a city; and

WHEREAS, law enforcement services are required for incorporation; and

WHEREAS, Credit River contacted the Scott County Sheriff's Office with interest of contracting these services; and

WHEREAS, the Sheriff's Office determined an annual costing structure for service; and

WHEREAS, the Sheriff's Office will benefit from this additional staffing resources.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners in and for the County of Scott, Minnesota, that the Chairperson of the Board is authorized to enter into a Law Enforcement Services Agreement with Credit River.

BE IT FINALLY RESOLVED, that approval of this Agreement is subject to approval by the County Attorney's Office as to form.

COMMISSIONERS	VOTE			
Weckman Brekke	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

**State of Minnesota)
County of Scott)**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October, 2020.

County Administrator
Administrator's Designee

**AGENDA #6.8
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 06, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Employee Relations	CONSENT AGENDA:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PRESENTER:	Janelle McGlinchey	ATTACHMENTS:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PROJECT:	---	TIME REQUESTED:	---
ACTION REQUESTED:	Approve Payroll Processing of Personnel Actions Indicated Below and Hereby Certified by the Employee Relations Director and the Appointing Authority to be in Compliance With the Provisions of Minnesota Statutes 375.56 – 375.71 and the Scott County Personnel System		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change
ORGANIZATIONAL VALUES:			
<input checked="" type="checkbox"/> Customer Service: We will deliver government services in a respectful, responsive, and solution-oriented manner <input type="checkbox"/> Communication: We will always be clear about what we're doing and why we're doing it <input type="checkbox"/> Collaboration: We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively <input type="checkbox"/> Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government <input type="checkbox"/> Empowerment: We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance <input type="checkbox"/> Resiliency: We will foster public preparedness and respond when families and communities face health and safety emergencies <input type="checkbox"/> Innovation: We will take informed risks to deliver services more effectively and will learn from our successes and failures			
DEPARTMENT/DIVISION HEAD SIGNATURE:		COUNTY ADMINISTRATOR SIGNATURE:	
Approved:		DISTRIBUTION/FILING INSTRUCTIONS: Janelle McGlinchey, Employee Relations	
Denied:			
Tabled:			
Other:			
Deputy Clerk :			
Date:			

Background/Justification:

1. FT Temporary employment for Chuck Roskam, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.

2. FT Temporary employment for Mary Krause, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
3. FT Temporary employment for Allison Xiong, Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
4. FT Temporary employment for Keigan Rantala, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
5. FT Temporary employment for Juliana Courier, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
6. FT Temporary employment for Rebecca Braun, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
7. FT Temporary employment for Pamela Caselius, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
8. FT Temporary employment for Rochel Sodetani, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
9. FT Temporary employment for Sue Schluter, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
10. FT Temporary employment for Vicki Thompson, Office Assistant – Unclassified, Community Services Division, effective 09/14/20.
11. FT Temporary employment for Steve Steuber, HHW Assistant – Unclassified, Planning and Resource Management Division, effective 09/17/20.
12. Change in status for Victoria Barnett, Intermittent (34% FTE) to PT Probationary (50% FTE) Facility Probation Officer, Health and Human Services Division, effective 10/12/20.
13. Rescind employment offer to Kristen Hayashi, FT Probationary Therapist, Health and Human Services Division, effective 10/01/20.
14. Rescind employment offer to Alicia Kramer, FT Temporary Office Assistant – Unclassified, Community Services Division, effective 09/10/20.
15. Amend separation of Vinh Phan, FT Principal Solutions Analyst, Office of Management and Budget, effective 09/25/20 (previously 09/18/20).
16. Promotion for Natalie Koepf, FT Probationary Field Probation Officer, Health and Human Services Division, effective 09/28/20.

Fiscal Impact:

N/A

**AGENDA #7.1
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6,2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Office of Management and Budget Budget Office	CONSENT AGENDA:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PRESENTER:	Bill Jaffa	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:		TIME REQUESTED:	10 Minutes
ACTION REQUESTED:	Adopt Resolution No. 2020-153; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input checked="" type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk:	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-153; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith.

The Scott County Community Development Agency (CDA) and Baker-Tilley, their financial advisor, have reviewed the feasibility of refunding the bonds and determined that the CDA would benefit financially from a refunding.

The Agency is proposing to issue its Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B (the “Series 2020B Bonds”), in the maximum principal amount of \$4,500,000, pursuant to the Act, including Section 475.67, subdivision 3, in order to refinance the Project through the defeasance, redemption, and prepayment of the outstanding Refunded Bonds on February 1, 2021.

The Agency, the County, and the City executed a Joint Powers Agreement, dated as of November 1, 2003, as amended by the Amendment to Joint Powers Agreement, dated April 26, 2012 (together, the “Amended Joint Powers Agreement”), which set forth the understanding of the parties with respect to the general obligation pledge of the County to pay debt service of the Refunded Bonds and the general obligation pledge of the City to reimburse the County for its payment of debt service of the Refunded Bonds.

Pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), the Scott County Community Development Agency (the “Agency”) is authorized to undertake housing development projects and to acquire and construct multifamily rental housing for the purpose of providing housing for elderly persons and for persons and families of low and moderate income and to issue general obligation bonds to finance or refinance such qualified housing development project.

Fiscal Impact:

None

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-153
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION NO. 2020-153; APPROVING THE PLEDGE OF THE GENERAL OBLIGATION OF SCOTT COUNTY, MINNESOTA TO THE PAYMENT OF THE GOVERNMENTAL DEVELOPMENT REFUNDING BONDS (SCOTT COUNTY, MINNESOTA UNLIMITED TAX GENERAL OBLIGATION – NORTHRIDGE COURT PROJECT), SERIES 2020B, TO BE ISSUED BY THE SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY; APPROVING THE PLEDGE OF THE SPECIAL BENEFIT TAX TO THE PAYMENT OF SUCH BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), the Scott County Community Development Agency (the “Agency”) is authorized to undertake housing development projects and to acquire and construct multifamily rental housing for the purpose of providing housing for elderly persons and for persons and families of low and moderate income and to issue general obligation bonds to finance or refinance such qualified housing development projects; and

WHEREAS, on April 26, 2012, the Agency issued its Governmental Refunding Bonds (Scott County, Minnesota – Unlimited Tax General Obligation – Northridge Project), Series 2012B (the “Refunded Bonds”), dated as of April 15, 2012, in the original aggregate principal amount of \$5,885,000, and used the proceeds thereof to refinance the acquisition, construction, and equipping by the Agency of a 58-unit rental housing facility for seniors located at 101 Fuller Street North, Shakopee, Minnesota, known as Northridge Court (the “Project”); and

WHEREAS, the Refunded Bonds were issued pursuant to the Act and an Indenture of Trust, dated as of April 1, 2012, between the Agency and U.S. Bank National Association, as trustee, and consented to by Scott County, Minnesota (the “County”) and the City of Shakopee, Minnesota (the “City”); and

WHEREAS, in connection with the issuance of the Refunded Bonds, the Board of Commissioners of the County adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full faith and credit of the County to the payment of debt service of the Refunded Bonds in accordance with Section 469.034, subdivision 2 of the Act, as then in effect; and

WHEREAS, in connection with the issuance of the Refunded Bonds, the City Council of the City adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full faith and credit of the City to reimburse the County for the County’s payment of debt service of the Refunded Bonds in accordance with Section 469.034, subdivision 2 of the Act, as then in effect; and

WHEREAS, the Agency, the County, and the City executed a Joint Powers Agreement, dated as of November 1, 2003, as amended by the Amendment to Joint Powers Agreement, dated April 26, 2012 (together, the “Amended Joint Powers Agreement”), which set forth the understanding of the parties with respect to the general obligation pledge of the County to pay debt service of the Refunded Bonds and the general obligation pledge of the City to reimburse the County for its payment of debt service of the Refunded Bonds; and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-153
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, the Refunded Bonds are currently outstanding in the principal amount of \$4,260,000, of which \$4,015,000 in principal amount is subject to redemption on or after February 1, 2021, at a price of par plus accrued interest; and

WHEREAS, the Agency is proposing to issue its Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Northridge Court Project), Series 2020B (the “Series 2020B Bonds”), in the maximum principal amount of \$4,500,000, pursuant to the Act, including Section 475.67, subdivision 3, in order to refinance the Project through the defeasance, redemption, and prepayment of the outstanding Refunded Bonds on February 1, 2021; and

WHEREAS, the County desires to extend its support to the Project by pledging its general obligation to the Series 2020B Bonds pursuant to Section 469.034 of the Act; and

WHEREAS, pursuant to Section 469.034, subdivision 2(f) of the Act, no further public hearings are required to be held by the County or the City when issuing refunding bonds under Section 469.034, subdivision 2 of the Act; and

WHEREAS, to consider the general obligation pledge of the County, the Board of Commissioners of the County must approve the principal amount of the Series 2020B Bonds to be issued by the Agency in accordance with Section 469.034, subdivision 2(b) of the Act; and

WHEREAS, the Agency proposes to annually pledge up to \$60,000 of its special benefit tax levy authorized under Section 469.033, subdivision 6 of the Act to be levied in the County to pay principal of and interest on the Series 2020B Bonds and to support the Project annually during the term of the Series 2020B Bonds; and

WHEREAS, the County is supportive of the Project and the annual pledge of the Agency’s special benefit tax levy to assist the Project in order to provide and maintain affordable rental housing for elderly persons in the County; and

WHEREAS, on September 8, 2020, the Board of Commissioners of the Agency adopted a resolution providing preliminary approval to the issuance of the Series 2020B Bonds to defease, redeem, and prepay the outstanding Refunded Bonds; and

WHEREAS, on September 15, 2020, the City Council of the City adopted a resolution to support the Project by pledging the City’s general obligation to the reimburse the County for its general obligation pledge pursuant to Section 469.034 of the Act for the purpose of providing and maintaining affordable rental housing for elderly persons in the City; and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-153
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, there have been presented before this Board of Commissioners (i) a form of an Indenture of Trust (the "Indenture") proposed to be entered into between the Agency and U.S. Bank National Association, as trustee, and to be consented to by the County and the City; and (ii) a form of Second Amendment to Joint Powers Agreement (the "Second Amendment to Joint Powers Agreement"), proposed to be entered into between the Agency, the County, and the City, which amends the Amended Joint Powers Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Scott County, Minnesota as follows:

1. The general obligation of the County is hereby pledged to the payment of principal of and interest on the Series 2020B Bonds in the maximum principal amount of \$4,500,000 to be issued by the Agency to (i) defease, redeem, and prepay the outstanding Refunded Bonds and thereby refinance the Project; (ii) fund required reserves; and (iii) pay costs of issuance of the Series 2020B Bonds. The sum of the principal amount of the Series 2020B Bonds plus the outstanding principal amount of bonds issued pursuant to Section 469.034, subdivision 2 of the Act to which the County's full faith and credit and that of any city in the County has been pledged does not exceed the greater of (a) one-half of one percent of the estimated market value of the County and all cities in the County or (b) \$5,000,000.

2. The Indenture and the Second Amendment to Joint Powers Agreement are hereby approved in substantially the forms on file with the County. The Chair and County Administrator, or their designees, are hereby authorized and directed to execute and deliver the Indenture and the Second Amendment to Joint Powers Agreement in the name and on behalf of the County. The Indenture and the Second Amendment to Joint Powers Agreement shall be substantially in the forms on file with the County which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Chair and the County Administrator, in their discretion, shall determine, and the execution thereof by the Chair and the County Administrator shall be conclusive evidence of such determination.

3. The County hereby consents to the preparation and distribution of a Preliminary Official Statement and a Final Official Statement (together, the "Official Statement") by Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor"), as municipal advisor to the Agency, in connection with the sale of the Series 2020B Bonds. Officers and employees of the County are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of the Official Statement. The Chair and the County Administrator are authorized and directed to furnish the purchaser of the Series 2020B Bonds at the closing a certificate stating that, to the best knowledge of such officers, the Official Statement did not, at the time of sale of the Series 2020B Bonds, contain any untrue statement of a material fact or omit to state any material circumstances under which they were made, not misleading.

4. The annual pledge by the Agency of up to \$60,000 of the Agency's special benefit tax to be levied in the County in accordance with Section 469.033, subdivision 6 of the Act, to pay principal of and interest on the Series 2020B Bonds and to support the Project annually during the term of the Series 2020B Bonds is hereby approved.

5. The Chair and the County Administrator are authorized to take any other action and execute any documents or closing certificates deemed necessary to carry out the intentions of the resolution, including but not limited to a continuing disclosure certificate and a general certificate of the County.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-153
Motion by Commissioner:	
Seconded by Commissioner:	

6. The electronic signature of the Chair and/or the County Administrator to this resolution, the Indenture, the Second Amendment to Joint Powers Agreement, and any certificate or other document authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the County thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

7. This resolution shall be in full force and effect from and after its passage.

COMMISSIONERS	VOTE
Weckman Brekke	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator

Administrator's Designee

**AGENDA #7.2
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6,2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Office of Management and Budget Budget Office	CONSENT AGENDA:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PRESENTER:	Bill Jaffa	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:		TIME REQUESTED:	10 Minutes
ACTION REQUESTED:	Adopt Resolution No. 2020-154; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Philipp Square Project), Series 2020A, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input checked="" type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk:	
Date:	

Background/Justification:

The purpose of this agenda item is to adopt Resolution No. 2020-154; Approving the Pledge of the General Obligation of Scott County, Minnesota to the Payment of the Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Philipp Square Project), Series 2020A, to be Issued by the Scott County Community Development Agency; Approving the Pledge of the Special Benefit Tax to the Payment of Such Bonds; and Authorizing the Execution and Delivery of Documents in Connection Therewith.

The Scott County Community Development Agency (CDA) and Baker-Tilley, their financial advisor, have reviewed the feasibility of refunding the bonds and determined that the CDA would benefit financially from a refunding.

The Agency is proposing to issue its Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Philipp Square Project), Series 2020A (the “Series 2020A Bonds”), in the maximum principal amount of \$4,100,000, pursuant to the Act, including Section 475.67, subdivision 3, in order to refinance the Project through the defeasance, redemption, and prepayment of the outstanding Refunded Bonds on February 1, 2021.

The Agency, the County, and the City executed a Joint Powers Agreement, dated as of October 1, 2001, as amended by the Amendment to Joint Powers Agreement, dated November 1, 2010 (together, the “Amended Joint Powers Agreement”), which set forth the understanding of the parties with respect to the general obligation pledge of the County to pay debt service of the Refunded Bonds, the general obligation pledge of the City to reimburse the County for its payment of debt service of the Refunded Bonds, and the pledge of the City HRA’s special benefit tax levy to support the Project.

Pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), the Scott County Community Development Agency (the “Agency”) is authorized to undertake housing development projects and to acquire and construct multifamily rental housing for the purpose of providing housing for elderly persons and for persons and families of low and moderate income and to issue general obligation bonds to finance or refinance such qualified housing development project.

Fiscal Impact:

None

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-154
Motion by Commissioner:	
Seconded by Commissioner:	

RESOLUTION NO. 2020-154; APPROVING THE PLEDGE OF THE GENERAL OBLIGATION OF SCOTT COUNTY, MINNESOTA TO THE PAYMENT OF THE GOVERNMENTAL DEVELOPMENT REFUNDING BONDS (SCOTT COUNTY, MINNESOTA UNLIMITED TAX GENERAL OBLIGATION – PHILIPP SQUARE PROJECT), SERIES 2020A, TO BE ISSUED BY THE SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY; APPROVING THE PLEDGE OF THE SPECIAL BENEFIT TAX TO THE PAYMENT OF SUCH BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), the Scott County Community Development Agency (the “Agency”) is authorized to undertake housing development projects and to acquire and construct multifamily rental housing for the purpose of providing housing for elderly persons and for persons and families of low and moderate income and to issue general obligation bonds to finance or refinance such qualified housing development projects; and

WHEREAS, on November 4, 2010, the Agency issued its Governmental Refunding Bonds (Scott County, Minnesota – Unlimited Tax General Obligation), Series 2010 (the “Refunded Bonds”), dated as of November 1, 2010, in the original aggregate principal amount of \$5,370,000, and used the proceeds thereof to refinance the acquisition, construction, and equipping by the Agency of a 55-unit rental housing facility for seniors located at 116 First Avenue NW, New Prague, Minnesota, known as Philipp Square (the “Project”), on a site leased by the Agency; and

WHEREAS, the Refunded Bonds were issued pursuant to the Act and an Indenture of Trust, dated as of November 1, 2010, between the Agency and U.S. Bank National Association, as trustee, and consented to by Scott County, Minnesota (the “County”), the City of New Prague, Minnesota (the “City”), and the New Prague Housing and Redevelopment Authority (the “City HRA”); and

WHEREAS, in connection with the issuance of the Refunded Bonds, the Board of Commissioners of the County adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full faith and credit of the County to the payment of debt service of the Refunded Bonds in accordance with Section 469.034, subdivision 2 of the Act, as then in effect; and

WHEREAS, in connection with the issuance of the Refunded Bonds, the City Council of the City adopted a resolution approving the issuance of the Refunded Bonds by the Agency and pledging the full faith and credit of the City to reimburse the County for the County’s payment of debt service of the Refunded Bonds in a principal amount of up to \$3,000,000 in accordance with Section 469.034, subdivision 2 of the Act, as then in effect; and

WHEREAS, the Agency, the County, the City, and the City HRA executed a Joint Powers Agreement, dated as of October 1, 2001, as amended by the Amendment to Joint Powers Agreement, dated as of November 1, 2010 (together, the “Amended Joint Powers Agreement”), which set forth the understanding of the parties with respect to the general obligation pledge of the County to pay debt service of the Refunded Bonds, the general obligation pledge of the City to reimburse the County for its payment of debt service of the Refunded Bonds, and the pledge of the City HRA’s special benefit tax levy to support the Project; and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-154
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, the Refunded Bonds are currently outstanding in the principal amount of \$2,935,000, of which \$2,750,000 in principal amount is subject to redemption on or after February 1, 2021, at a price of par plus accrued interest; and

WHEREAS, the Agency is proposing to issue its Governmental Development Refunding Bonds (Scott County, Minnesota Unlimited Tax General Obligation – Philipp Square Project), Series 2020A (the “Series 2020A Bonds”), in the maximum principal amount of \$4,100,000, pursuant to the Act, including Section 475.67, subdivision 3, in order to refinance the Project through the defeasance, redemption, and prepayment of the outstanding Refunded Bonds on February 1, 2021; and

WHEREAS, the County desires to extend its support to the Project by pledging its general obligation to the Series 2020A Bonds pursuant to Section 469.034 of the Act; and

WHEREAS, pursuant to Section 469.034, subdivision 2(f) of the Act, no further public hearings are required to be held by the County or the City when issuing refunding bonds under Section 469.034, subdivision 2 of the Act; and

WHEREAS, to consider the general obligation pledge of the County, the Board of Commissioners of the County must approve the principal amount of the Series 2020A Bonds to be issued by the Agency in accordance with Section 469.034, subdivision 2(b) of the Act; and

WHEREAS, the Agency proposes to annually pledge up to \$21,569 of its special benefit tax levy authorized under Section 469.033, subdivision 6 of the Act to be levied in the County to pay principal of and interest on the Series 2020A Bonds and to support the Project annually during the term of the Series 2020A Bonds; and

WHEREAS, the City HRA proposes to pledge an annual contribution of \$37,077 to pay principal of and interest on the Series 2020A Bonds and to support the Project annually during the term of the Series 2020A Bonds; and

WHEREAS, the County is supportive of the Project and the annual pledge of the Agency’s special benefit tax levy to assist the Project in order to provide and maintain affordable rental housing for elderly persons in the County; and

WHEREAS, on September 8, 2020, the Board of Commissioners of the Agency adopted a resolution providing preliminary approval to the issuance of the Series 2020A Bonds to defease, redeem, and prepay the outstanding Refunded Bonds; and

WHEREAS, on September 21, 2020, the City Council of the City adopted a resolution to support the Project by pledging the City’s general obligation to the reimburse the County for its general obligation pledge in a principal amount of up to \$3,000,000 pursuant to Section 469.034 of the Act for the purpose of providing and maintaining affordable rental housing for elderly persons in the City; and

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-154
Motion by Commissioner:	
Seconded by Commissioner:	

WHEREAS, there have been presented before this Board of Commissioners (i) a form of an Indenture of Trust (the "Indenture") proposed to be entered into between the Agency and U.S. Bank National Association, as trustee, and to be consented to by the County, the City, and the City HRA; and (ii) a form of Second Amendment to Joint Powers Agreement (the "Second Amendment to Joint Powers Agreement"), proposed to be entered into between the Agency, the County, the City, and the City HRA, which amends the Amended Joint Powers Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Scott County, Minnesota as follows:

1. The general obligation of the County is hereby pledged to the payment of principal of and interest on the Series 2020A Bonds in the maximum principal amount of \$4,100,000 to be issued by the Agency to (i) defease, redeem, and prepay the outstanding Refunded Bonds and thereby refinance the Project; (ii) fund required reserves; and (iii) pay costs of issuance of the Series 2020A Bonds. The sum of the principal amount of the Series 2020A Bonds plus the outstanding principal amount of bonds issued pursuant to Section 469.034, subdivision 2 of the Act to which the County's full faith and credit and that of any city in the County has been pledged does not exceed the greater of (a) one-half of one percent of the estimated market value of the County and all cities in the County or (b) \$5,000,000.

2. The Indenture and the Second Amendment to Joint Powers Agreement are hereby approved in substantially the forms on file with the County. The Chair and County Administrator, or their designees, are hereby authorized and directed to execute and deliver the Indenture and the Second Amendment to Joint Powers Agreement in the name and on behalf of the County. The Indenture and the Second Amendment to Joint Powers Agreement shall be substantially in the forms on file with the County which are hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Chair and the County Administrator, in their discretion, shall determine, and the execution thereof by the Chair and the County Administrator shall be conclusive evidence of such determination.

3. The County hereby consents to the preparation and distribution of a Preliminary Official Statement and a Final Official Statement (together, the "Official Statement") by Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor"), as municipal advisor to the Agency, in connection with the sale of the Series 2020A Bonds. Officers and employees of the County are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of the Official Statement. The Chair and the County Administrator are authorized and directed to furnish the purchaser of the Series 2020A Bonds at the closing a certificate stating that, to the best knowledge of such officers, the Official Statement did not, at the time of sale of the Series 2020A Bonds, contain any untrue statement of a material fact or omit to state any material circumstances under which they were made, not misleading.

4. The annual pledge by the Agency of up to \$21,569 of the Agency's special benefit tax to be levied in the County in accordance with Section 469.033, subdivision 6 of the Act, to pay principal of and interest on the Series 2020A Bonds and to support the Project annually during the term of the Series 2020A Bonds is hereby approved.

**BOARD OF COUNTY COMMISSIONERS
SCOTT COUNTY, MINNESOTA**

Date:	October 6, 2020
Resolution No.:	2020-154
Motion by Commissioner:	
Seconded by Commissioner:	

5. The Chair and the County Administrator are authorized to take any other action and execute any documents or closing certificates deemed necessary to carry out the intentions of the resolution, including but not limited to a continuing disclosure certificate and a general certificate of the County.

6. The electronic signature of the Chair and/or the County Administrator to this resolution, the Indenture, the Second Amendment to Joint Powers Agreement, and any certificate or other document authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the County thereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

7. This resolution shall be in full force and effect from and after its passage.

COMMISSIONERS	VOTE
Weckman Brekke	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Wolf	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Beard	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Beer	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain
Ulrich	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain

State of Minnesota)
County of Scott)

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 6th day of October, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 6th day of October 2020.

County Administrator
Administrator's Designee

**AGENDA #7.3
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Administration County Administration	CONSENT AGENDA:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PRESENTER:	Chris Harder Lisa Freese Steve Jones	ATTACHMENTS:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
PROJECT:	CARES Act Funds	TIME REQUESTED:	10 minutes
ACTION REQUESTED:	Receive information on the Distribution of Scott County Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

- Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- Communication:** We will always be clear about what we're doing and why we're doing it
- Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to receive information on the distribution of Scott County Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated September 2, 2020*; and *Coronavirus Relief Fund Frequently Asked Questions Updated as of September 2, 2020*.

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again;
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve;
- Helping businesses, organizations, and residents most harmed by the pandemic;
- Providing support to business that can sustain and grow the economy;
- Supporting operational changes to keep businesses operating during the pandemic;
- Providing food support for families at risk in the short term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

In order to better track the status of the CARES Act Special Revenue Fund staff has created a dashboard that will provide updated information to the Board of County Commissioners and other County leadership and allow them to track the budgeted amounts for each distribution, as well as what has been expended at a given point

in time. The data will be updated at a minimum weekly, and can be updated in a short period of time if updated information is needed.

The Board Distributed the County's portion of the CARES Act funds as follows:

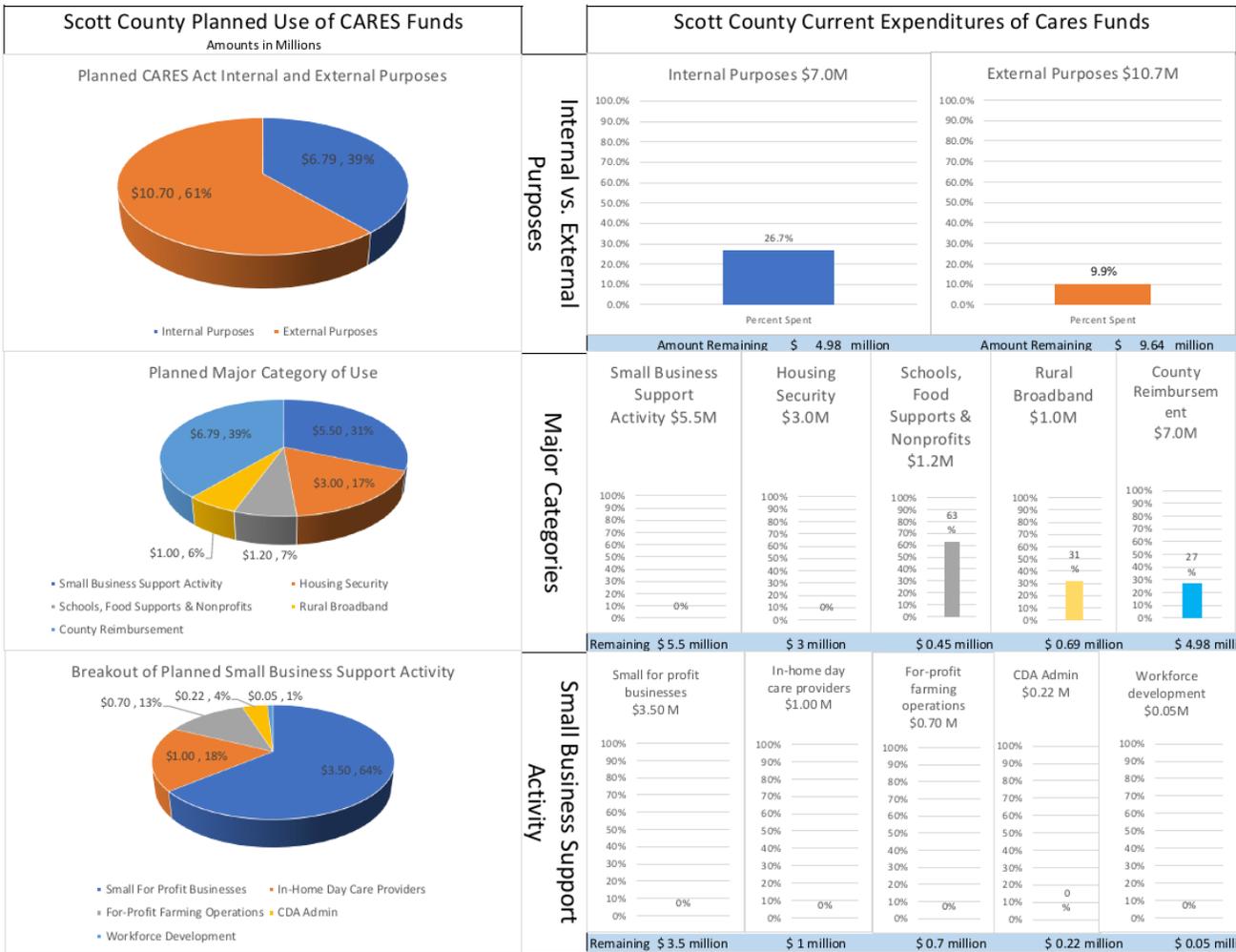
- \$5.5 million – Small Business Support
 - \$3.5 million for Small for-profit businesses
 - \$1.0 million for In-home day care providers
 - \$0.7 million for for-profit farming operations
 - \$0.22 million for program administration
 - \$0.05 million for Workforce Development
- \$3.0 million – Housing Security
 - \$1.7 million for Mortgage Assistance
 - \$1.3 million for Rental Assistance
 - \$0.01 million for Emergency Housing Vouchers
 - \$0.06 million for program administration
- \$1.2 million – Schools, Food Supports & Non-Profits
 - \$0.75 million for Schools
 - \$0.18 million for Scott County Food Shelves
 - \$0.15 million for Non-profit organizations
 - \$0.06 million for Food Distribution Centers
- \$1.0 million – Rural Broadband
- \$7.0 million – County Reimbursements, Telework and PPE
 - \$0.3 million for Direct Expenses
 - \$1.8 million for Personnel Diverted from their Regular Work
 - \$2.23 million for Telework & PPE improvements
 - \$2.67 million for Substantially Dedicated Public Safety & Public Health Staff

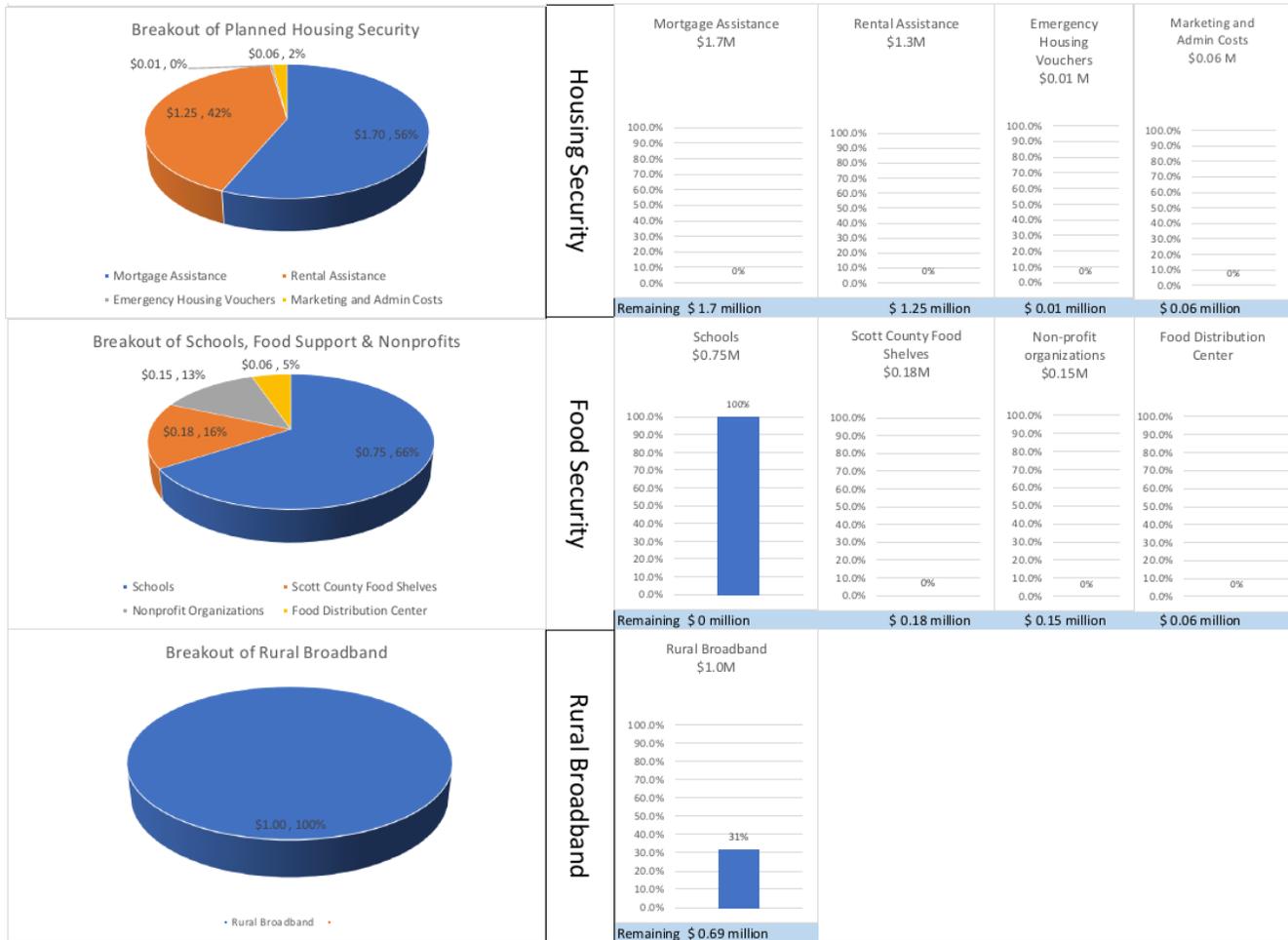
When the Board authorized the creation of the CARES Act Special Revenue Fund, they also authorized the County Administrator to adjust the distributed amounts based on our understanding of the need in different programs changing. As such, the actual distribution amounts may end up being different than the original authorization. The Board also authorized the Chief Financial Officer to increase the allocation for the salaries of Public Safety and Public Health staff who are substantially dedicated to COVID-19 response, based on the Department of the Treasury's guidance, in order to encumber any unspent funds before the November 30th deadline for the expenditure of CARES Act funds. This will likely also cause changes in the final funding amounts.

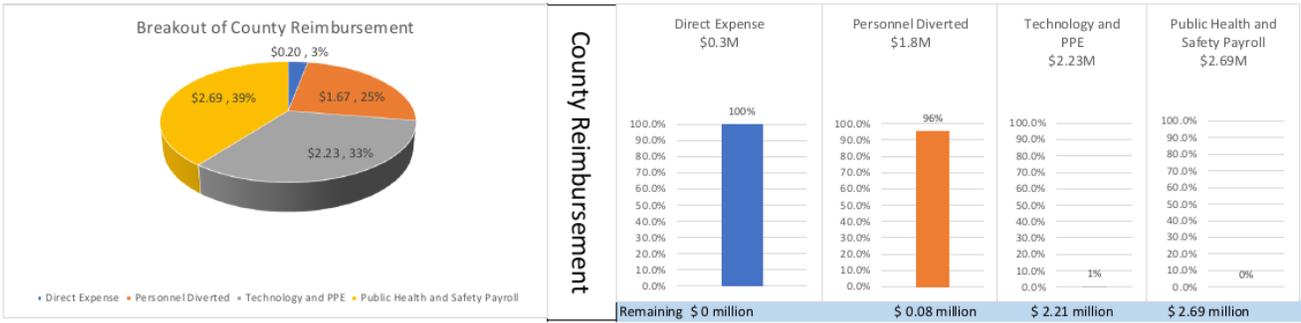
Following the deadline for the expenditures of the CARES Act funds, November 30th, staff will bring the final distribution back to the Board for acceptance of any actions taken by the County Administrator and/or the Chief Financial Officer.

Fiscal Impact:

Scott County has incurred significant costs due to its response to the COVID-19 pandemic. The CARES Act funds being distributed internally help to offset those costs, as well as cover additional costs to allow employees to work remotely and safely.







**AGENDA #8.1
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Health and Human Services	CONSENT AGENDA:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PRESENTER:	Lisa Brodsky	ATTACHMENTS:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PROJECT:	COVID-19 Response	TIME REQUESTED:	15 Minutes
ACTION REQUESTED:	Receive a COVID-19 Update		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

ORGANIZATIONAL VALUES:

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- Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS: Pam Selvig Lisa Brodsky Scott Haas
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to receive a COVID-19 update.

Public Health staff will provide an informational update regarding the current COVID-19 situation and actions that have been taken. The update will include a 2019-2020 death data comparison.

Fiscal Impact:
None

**AGENDA #8.2
SCOTT COUNTY, MINNESOTA
REQUEST FOR BOARD ACTION
MEETING DATE: OCTOBER 6, 2020**

ORIGINATING DIVISION: ORIGINATING DEPARTMENT:	Community Services	CONSENT AGENDA:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PRESENTER:	Cindy Geis	ATTACHMENTS:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
PROJECT:	2020 General Election	TIME REQUESTED:	15 Minutes
ACTION REQUESTED:	Receive a 2020 General Election Process Update		
CONTRACT/POLICY/GRANT:	<input type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	FISCAL:	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

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DEPARTMENT/DIVISION HEAD SIGNATURE:	COUNTY ADMINISTRATOR SIGNATURE:
Approved:	DISTRIBUTION/FILING INSTRUCTIONS:
Denied:	
Tabled:	
Other:	
Deputy Clerk :	
Date:	

Background/Justification:

The purpose of this agenda item is to receive 2020 general election process update.

Information will be given on early voting, absentee voting and options available to voters.

Fiscal Impact:

None