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TO: Honorable Mayor and members of the Yakima City Council

FROM: Alex Meyerhoff, Interim City Manager  
Steve Groom, Finance Director

DATE: April 16, 2020

RE: Update - COVID-19's Effect on City Services and Finances

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This is to provide an update to how the City, across all departments, has been affected and has responded to the COVID-19 emergency declared in Yakima on March 11, 2020.

Senior staff members have been given authority to approve employees to work remotely to limit the number of personnel in the office and to adhere to the social distancing requirements. Masks, gloves, disinfectant, sanitizer, and other supplies are available to all employees and additional cleaning of all facilities is occurring daily.

**Fiscal Issues:** Staff is monitoring and managing five areas: Revenues, Operating Expenses, Capital Expenditures, Treasury and Debt, and 2021 Budget Planning. The following assessments are preliminary and we will update as new information becomes available.

**Revenues:** Looking at 2020 and beyond.

- Some cities are looking to the 2008 downturn for an example; Yakima's Sales Tax dropped \$1 million 2008 to 2009 and didn't recover until 2012. It's unclear, however, whether the depth and length of the 2020 disaster is similar to that of 2008.
- Sales taxes are expected to go down due to temporary business closures and local unemployment. Staff is continually monitoring and forecasting when new data is received. Actual March data will not be available until the May remittance from the State. Dept. of Commerce has reported a downturn of 8.7% nationally for March which suggests a \$200,000 reduction for that month.
- Property taxes are not expected to decline. For comparison, Property Tax Revenue actually increased \$0.5M from 2008 to 2009 probably due to growth offsetting the housing bubble correction. The County Assessor's certified valuation in September is what will determine 2021 City Tax Levy and will be explored, as required, in the 2021 Budget process.
- Utilities taxes and Franchise fees are being monitored similarly.
- Lodging Tax is expected to take a large reduction; hotels report occupancy below 10%.
- All departments are engaging in Federal and State COVID-related programs as they are made known.

**Operating Expenses:** Managing within 2020 Budget.

- All city departments are evaluating COVID requirements to deliver existing services. In addition to new expenses like cleaning supplies, gloves and masks, social distancing requires expanded vehicle use and office configurations.

- Maintaining staff safety and health has been within budget. Employee illness requiring their quarantine may require additional overtime shifts to backfill for service delivery. While public safety comes immediately to mind, this could also affect staff working in streets, transit, water treatment, refuse, wastewater treatment and administrative functions like IT, payroll, and management across all departments.

**Capital Expenditures:** Long-term planning is in our current-year problem-solving.

- The vehicle fleet city-wide is aging. Further deferrals really aren't an option as the City COVID course-corrects.
- Infrastructure operations and maintenance is a regular and recurring expense.
- Both of the above issues were discussed during the 2020 Budget process and become increasingly a priority for the 2021 Budget.

**Treasury and Debt:**

- Evidenced by quarterly treasury reports, the City has excellent liquidity already in place.
- In process of refinancing debt to lower rates and payments in conjunction with the convention center expansion debt issue.
- Improved perpetual vehicle replacement planning and long-term capital planning is still needed to improve prudent debt planning and is a high priority for 2021 Budget.

**2021 Budget:**

- Staff is aware that a decision-package methodology will be required to incorporate comprehensive prioritizing. Reacting one problem at a time would result in priorities being skipped.
- Reliable reporting of 2020 is key to 2021 Budget planning, and the operational demands of the COVID crisis has now eclipsed routine financial management in all departments. The City will adapt as information is learned about the depth and length of this crisis.

**Police:**

- All services are available and online reporting is being utilized to lower interpersonal exposure during crime reporting (for low level incidents).
- All employees are now required to wear masks when they are out of their workspace within YPD or out of their vehicle.
- Most clerical staff and detectives are working on their cases remotely. They still respond to crime scenes as required.

**Fire:**

- Developed COVID Infection Prevention Recommendations and posted on City ICE for employees.
- Sending out Daily Situation Reports to all members.
- Allowed for a change in vacation schedules to accommodate the fact that people are not traveling/vacationing and signed Memorandum of Understanding with the Union.
- Arranged for quarantine quarters to house staff who may potentially test positive from exposure.
- Fire Code Division is working an alternate work schedule.
- All members are wearing face masks in the stations (except when eating and sleeping).

- All stations are closed to the public for any non-essential business.
- All stations have been disinfected by a donation from Baxter Construction.
- Ramped up cleaning of the stations and apparatus.
- Have a Deputy Chief representing the fire and police departments as a liaison in the County's EOC.
- Modified dispatch/response protocols to calls to minimize exposures (e.g.: one person goes in a residence or the patient comes out of the residence when able and extra PPE).

**Public Works Admin:**

- Continue to operate as normal.
- Monitoring the revenue for Clean City. Due to businesses being closed or partially open, reduced amount of waste collected by Yakima Waste negatively impacts the revenue to fund Clean City.

**Streets:**

- Continue to operate as normal.

**Refuse:**

- Experiencing heavier volume of trash due to individuals staying home – increase in landfill tipping fees.
- Increase in trash is also due to Yakima County not accepting yard waste from private haulers due to COVID concerns.
- Working with residents to bag all garbage and request extra carts if needed to allow staff to safely and efficiently remove trash by carts only (no direct handling of trash by staff).
- Continue to operate as normal as possible.

**Water / Wastewater:**

- Continue to operate as normal.

**Transit:**

- Plexi-glass doors have been ordered and will be installed on all buses (26).
- Bus routes continue to operate as normal.
- Dial-A-Ride service continues to operate as normal.
- The Yakima/Ellensburg commuter service continues to run for now. However, it is the only charter service A&A Motor Coach is conducting on the east side of the cascades. They have completely shut down on the west side. Approximately 20 riders are serviced for the entire day; will begin utilizing cut-away buses instead of the standard-sized buses to save money due to significant drop in ridership. This commuter service may go away soon.

**Engineering:**

- Continue to operate as normal

**Parks:**

- People for People is still offering meals to seniors from the Harman Center and Henry Beauchamp Community Center.

- HBCC is having frozen meal pickups on Friday from 10-12. United First is not a location pickup at this time. The only other pickup location in Yakima is the Salvation Army on Thursdays from 10-12.
- All parks recreational facilities for active recreation have been closed including the dog park, tennis and pickle ball courts, however, parks are open for passive recreation.

#### **Equipment Rental/Building Maintenance:**

- Continue to operate as normal.
- ER to work overtime to install plexi-glass doors on the transit buses as soon as possible.
- Building Maintenance spending extra time and effort in cleaning and sanitizing work areas.

#### **Community Development/Codes/Planning/ONDS:**

- Employees are working alternate shifts or are working remotely. Staff members remain available to answer phone calls, emails, or meet with individuals by appointment.
- Staff processing land use and permit applications within the guidelines of Washington State rules.
- Graffiti paint out still occurring.

#### **Human Resources:**

- Staff is continually monitoring federal programs related to personnel impacts and is adjusting city policies as needed.
- Staff schedules have been adjusted to limit the number of people in the office – employees are working remotely.
- A Temporary Telecommunication Policy & Agreement has been developed and implemented. Approximately 130 employees have been authorized to work from home in some capacity.
- Administrative Policy #1-910 Families First Coronavirus Relief Act was drafted and enacted to ensure compliance with the law. Application forms were created and a process was put in place to assist employees needing to utilize the time defined in the policy to care for themselves or families.
- Human Resources has shifted to an enormous workload as situational problem-solving for COVID has eclipsed an already-busy department. It's too early to gauge the impact to employee benefit programs the city will be required to bear.

#### **Finance:**

- Utility Billing has continued to bill all 26 cycles across the city, no cut-offs due to nonpayment, staff is alternating days in office and working remotely as possible.
- Parking Enforcement has continued the crucial support involving safety, blocked disable access, dangerous situations, and supporting public safety and city work crews.
- Purchasing has shifted in a big way to disaster-related procurement supporting public safety first and all other city needs and has exercised tremendous creativity, resourcefulness and perseverance in the face of shortages.
- Finance has continued paying bills, paying payroll (important that all city staff feel supported during crisis), with some staff working remotely and alternate schedules to maintain the flow of vital financial information.

- Citywide financial management in the emergency/disaster environment has taken priority over “normal” necessary financial planning and reporting which may result in some delay but overall reliability is still a priority.

#### **Information Technology:**

- Technicians are working alternate schedules and are working remotely.
- Staff members spent several hours purchasing and setting up devices for employees city-wide to be able to work remotely.

#### **Legal Department:**

- Two civil attorneys and 4 prosecutors are working remotely; prosecutors are shifting the days in/out of the office to cover court calendars without any issues.
- Prosecutors are still available to telephonically meet with victims and witnesses.
- Several legal assistants are working four ten hour days per week, alternating days so that there are always staff in the office. This is only permitted during the period of emergency.

#### **Airport:**

- Due to the COVID-19 virus and the various governmental entities recommended “stay at home orders”, Yakima Air Terminal-McAllister Field’s passenger activities have declined to historic lows. Given this decrease in activities, Alaska Airlines has reduced its flight schedule to one flight daily to SEATAC International Airport.
- Although the airport remains open and staff continues to maintain the facility, the main terminal building hours of operations have been reduced due to the reduction in business activity.
- Staff members have been proactive to minimize the potential of contracting the virus by exercising “social distancing”, alternating schedules, and working remotely.
- Construction in/around the airport has been put on hold in accordance with the Governor’s order. However, in the event the order is extended the airport is slated to conduct a \$1.2 million dollar rehabilitation project on its primary Runway. Unfortunately, the timing of this project must remain on-schedule in order to minimize additional impacts on the aviation industry.
- Airport staff continues to monitor the Coronavirus Aid, Relief, and Economic Security (CARES) Act to determine funding options for both Capital Improvement Projects and the airport’s operations budget. The Federal Aviation Administration (FAA) has announced additional funding will be provided during the 2020 Airport Improvement Program grants. Staff has prepared a resolution for Council’s approval to accept said funds once they are made available.
- Staff is monitoring industry trends and business activities with tenants to assist with their daily operations.

#### **City Clerk:**

- Staff members are alternating days in the office to limit the number of people at city hall while the remainder work remotely.
- Phones are forwarded when staff members are not in the office (during break/lunch time) to ensure someone is always available to answer calls.
- Public record requests are being delayed and extension notices are being sent in compliance with the Governor’s orders.

**Communications:**

- Staff members are alternating days in the office to limit the number of people and a few are working remotely.
- Staff members are working with the Yakima Health District to record twice weekly updates.
- Created a city webpage dedicated to the coronavirus.
- Continue to provide council updates, Governor news conferences, PPE and precautionary measures for residents, and various other city messages on social media platforms.