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TO: Honorable Mayor and members of the Yakima City Council

FROM: Alex Meyerhoff, Interim City Manager

DATE: May 15, 2020

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

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While the COVID-19 emergency has and will continue to present many challenges, the City of Yakima is committed to protecting the health and safety of its employees and customers, the continuity of government services, and the responsible management of the City's finances.

The City's current financial situation is stable, meaning the City is able at this time to continue to provide critical public services to the community. However, the City, along with local governments throughout Washington State and across the country, is preparing for an expected decrease in normal revenue streams, which will likely negatively affect the City's ability to operate as it did before the COVID-19 emergency.

The City's senior management team is working with the City Council to address the impact of the COVID-19 emergency. Senior staff is conducting ongoing, comprehensive analysis to determine the level and severity of the financial impacts resulting from the pandemic.

This is to provide an update to the City's COVID response that was reviewed at the April 21, 2020 City Council meeting.

**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 Tax data is presently available through February 2020. **Staff is waiting for the May remittance for March actuals.** Staff is monitoring new data and so far only national economic models have estimates. Dept. of Commerce has reported a downturn of 8.7% nationally for March which suggests a \$200,000 reduction for that month. While the number of months that will be affected is still unclear, national estimates suggest a downturn from \$1 million to \$3 million is possible.
- Property taxes are not expected to decline.
- Utilities taxes and Franchise fees are being monitored similarly.
- Lodging Tax is expected to experience a large reduction. **Hotel occupancy in March was 34%, down 36% from March 2019. Some hotels are currently closed. Some closed hotels are planning on reopening as early as June 1. Staff is awaiting the May remittance for March actuals.** As Lodging Tax, TPA and PFD revenues become known a revised 2020 plan will be developed. Priorities for revenue are to pay

Convention Center and Capitol Theatre debt first, then operations second, then capital project funding.

- All departments are engaging in Federal and State COVID-related programs as they are made known. Transit, Airport, and Police have gained CARES Act approvals and are working on clarifying requirements and restrictions. The City has received COVID-19 Emergency Funding including \$6.2 million in FTA (airport) funding and \$1.2 million in FAA (transit) funding through the CARES Act which will be allocated to transit and the airport respectively. The Governor's office also announced a \$2.8 million state grant with yet-to-be disclosed requirements and restrictions.
- Finance staff is spending considerable time communicating with FEMA program management and other city finance staff in efforts to identify expenses that qualify for reimbursement. Current FEMA and CARES Act guidelines exclude reimbursement for revenue shortfall and reimbursement for budgeted expenses which seems to exclude the exact squeeze the city faces.

**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 come 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.

**Administration:**

- Freezing all general government positions, excluding uniformed police officers, correction officers, and firefighter positions. All staffing requests will be reviewed and approved by the Interim City Manager before proceeding with any hiring process.
- Canceling all non-essential travel
- Canceling all non-essential training
- Deferring all non-essential purchases
- Evaluating budgeted discretionary spending and opportunities to delay or cancel purchases
- Discontinuing new subscriptions and memberships unless they are required to maintain a license or certification
- Evaluating existing contracts for cost and fee reductions
- Evaluating City services for overlap and redundancy
- Evaluating opportunities for consolidation and collaboration of services
- Reviewing current surplus property inventory for joint development opportunities
- Maximizing administrative expenses of all grant resources
- Pursuing grant opportunities consistent with existing programs
- Evaluating transit service for possible reductions in service
- Evaluating recreation services and possible reduction in services
- Meeting with labor unions to discuss opportunities for cost savings
- Deferring fleet and equipment replacement

#### **Police:**

- **NO UPDATES**
- YPD has witnessed a decrease in calls to 911 (almost 35%). Theft and auto theft are generally up, burglary is steady and both robbery and sex assault are generally down. There has been an increase in domestic violence calls.
- With the addition of School Resource Officers to patrol (there wasn't a need for them at the schools), YPD has been able to manage well and focus on emerging problems.
- YPD has created an online process for Concealed Pistol License renewals. This will enable folks to keep their licenses up to date despite the current COVID situation. It will also increase efficiency moving forward.
- As of this writing, YPD has planned for two separate protests about the Governor's orders around COVID and the censure of Council member White. These responses are staff intensive to protect Constitutional Rights and preserve public safety.
- YPD is working with the Yakima School District to assist with a modified high school graduation ceremony.
- 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:**

- **Fire inspectors will be transitioning back to conducting limited fire inspections in occupancies where it is safe to do so.**

- Fire inspectors may consider virtual inspections if occupants have the capability (example: small in-home daycares).
- Staff ordered two AeroClaves for the decontamination of fire department apparatus' and facilities. During the initial outbreak none were available.
- MOU on vacation cancellation has expired. No additional MOUs are expected at this time as some recreational activities are now allowed.
- SunComm call numbers from February 29 to April 30 are below:
  - Total EMS Calls for YKFD: 1,426
  - 2019 total EMS Calls for same time period: 1,226
  - COVID confirmed/presumed related EMS calls: 30 (\*based on reporting party advising of a positive test or awaiting test results with significant symptoms or others in the residence/facility tested positive with significant symptoms)
  - Calls for service that included symptoms of COVID, to include difficulty breathing, shortness of breath, fever or cough. A single symptom call was not counted, only multi-symptom:
    - 2020: 620 Calls (43% of all calls)
    - 2019: 333 Calls (27% of all calls)
- The Deputy Chief that had been working in the EOC is back to his normal duties but remains available if he is needed.
- 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:**

- **NO UPDATES**
- 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:**

- **NO UPDATES**
- Continue to operate as normal.

**Refuse:**

- **NO UPDATES**
- Experiencing heavier volume of trash due to individuals staying home – increase in landfill tipping fees. Tonnage has increased by approximately 9% and tipping fees have increased about 7%.
- 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:**

- **NO UPDATES**
- Continue to operate as normal.

**Transit:**

- **NO UPDATES**
- Plexi-glass doors have been ordered and will be installed on all buses (26).
- Bus routes continue to operate as normal; however, ridership is approximately 82% lower than 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:**

- **NO UPDATES**
- Continue to operate as normal

**Parks:**

- Recreation staff have been assisting parks maintenance with irrigation repairs and irrigation renovation of field #3 at Chesterley Park.
- Harman Center staff have been assisting with facilities maintenance at the Harman Center by pressure washing the outside of the building and doing lawn and landscaping bed maintenance. Staff have also been producing videos and putting them out to the seniors. The completed a video on how to make “Whipped Coffee”, (which apparently is a new thing). Leslie provided online training for seniors to learn how to Zoom with their families. They have also been calling some of our seniors and checking on them.
- People for People continues providing frozen meals for pick up out of the Harman Center. They are providing approximately 190 meals per week through the Harman center drive-thru pick up.
- The recreation leader has scanned all of the Parks & Recreation Commission meeting minutes and agendas making them searchable.

- Recreation staff members have also helped with field maintenance, over seeding and aerating and fertilizing of park areas throughout the city. The areas on Naches Parkway that had bare spots were also aerated, seeded and fertilized with the support of recreation staff.
- Staff finalized the restroom and swimming pool opening protocols and is actively working with Health District representatives so the facilities are ready to open when allowed under the Governor's phased opening guidelines (Phase 3).
- Golf activities are scheduled to resume on May 5<sup>th</sup>.
- Staff is evaluating the feasibility of summer recreation programs.
- 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:**

- **NO UPDATES**
- 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:**

- **Building maintenance is measuring and requesting quotes to have plexi-glass installed at the community development and engineering service counters.**
- The Governor's plan to re-open construction activities went into effect May 1<sup>st</sup>. The April 29<sup>th</sup> construction guidelines clarify that the plan to re-open construction is limited to projects that had already been started. City staff have been working with all development interests by actively reviewing plans and applications. Construction sites are working to develop their site safety plans which is required now by Labor and Industries. Staff has not experienced a surge in new permit applications or requests for inspections yet, however, they will continue to monitor activity.
- 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:**

- **In response to the COVID-19 emergency, the Civil Service team has made significant modifications to recruitment and testing processes:**
  - **Implementation of a new electronic testing option allowing the team to develop customized and unique electronic written tests which applicants can take remotely**



- A candidate confidentiality agreement was developed and scores are electronically processed following the exam
- Civil Service oral board exams are being facilitated and proctored utilizing a developed matrix and a Zoom meeting with the Chief Examiner, the HR Proctor/Facilitator, the candidates, and multiple board members/assessors all participating from separate locations
- The on-boarding process for newly hired permanent and temporary employees are now all done electronically.
- Personnel Action Forms (PA's) are being processed electronically utilizing electronic signatures, etc. rather than paper copies being routed throughout the various divisions.
- The electronic evaluation program is continuing to be rolled out.
- City of Yakima University (CYU) trainer is developing a CPR program that will provide appropriate training while still adhering to the emergency declarations. Initially, this training will be for the Parks & Recreation Division to ensure lifeguards, etc. have the required training prior to facilities reopening.
- The City's Wellness Committee has canceled the annual picnic originally scheduled for June but is continuing to look for ways to keep employees engaged in healthy activities.
- 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:**

- The City has not noticed an increase in late or delinquent utility accounts.
- Finance staff members continue to focus on revenue forecasting, monitoring health district stats daily, and collaborating with other cities finance staff.
- 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:**

- The City has seen a significant increase to network, email, and phone traffic during this pandemic:
  - averaging 100,000 more emails per month
  - 10,000 to 12,000 more phone calls per month
- The City has also noticed an increase in phishing and other cyber-security challenges.
- 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.

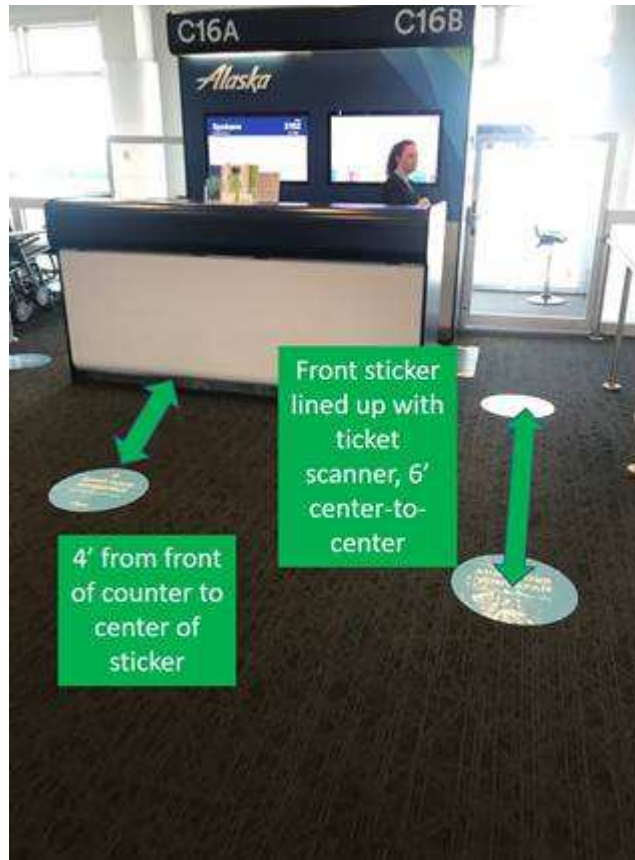
#### **Legal Department:**

- **NO UPDATES**
- 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:**

- Alaska Air Group is implementing new products and processes to inspire confidence throughout the travel process for all guests, beginning with the airport experience. As part of this new process they've installed floor decals reminding airport guests and passengers to “mind their wingspan” while following the social distancing protocol in the airport. Additionally, the airline is now providing facemasks for customers who may have misplaced their PPE supplies prior to their flight.





- Passenger traffic nationwide remains 95% below 2019 levels and continues to require airlines to adjust their flight schedules. Given these factors, beginning May 3<sup>rd</sup> through May 31<sup>st</sup> Alaska Airlines has modified Yakima Airport's schedule to a 6:00 a.m. departure to Wenatchee where the aircraft receives additional passengers and then departs to Seattle. Yakima will witness a similar return route from Seattle to Wenatchee and will arrive in Yakima at 7:00 p.m. Staff has adjusted the terminal building hours to accommodate passenger activities and remains open during normal business hours.
- Airport staff is coordinating three capital improvement projects as Governor Inslee reopens the state's economy through a phased approach. These projects include the replacement of the airport's fuel pumps, replacement of a portion of the terminal's roof to prevent future roof leaks, and the airport's \$1.4 million rehabilitation project on its primary runway.
- The Federal Aviation Administration has notified the City of Yakima the CARES Act grant agreement will be administered no later than Friday, May 15<sup>th</sup>, 2020. Airport staff will work closely with the finance department to ensure funds expensed will meet Federal Aviation Administration requirements while ensuring the airport remains financially sustainable.
- Passenger activity appears to be slowly recovering from the lowest count on April 14, 2020 where only 87,534 passengers traversed the nation's security checkpoints. On May 11, 2020, this number had increased to 215,645 passengers as some states started to lift travel restrictions and adopt a phased approach to reopening the economy. As a result, the Yakima Airport has witnessed a minor increase in passenger counts.

- 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. The new terminal hours are 6:00 a.m. to 8:00 p.m.
- 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 \$1.4 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:**

- **Public record requests are being processed in compliance with the Governor’s orders.**
- 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.

#### **Communications:**

- **NO UPDATES**
- Staff members are working with the Yakima Health District to record ~~twice~~-weekly updates.
- Staff members are alternating days in the office to limit the number of people and a few are working remotely.
- 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.