

Schott, Heather

From: Morgan, Neil
Sent: Thursday, March 26, 2020 9:07 AM
To: Green, Chad; Zaremba, Walter C.; Noll, Sheila S.; Shepperd, Thomas; Wassmer, Jeff
Cc: Bellamy, Mark; McGettigan, Vivian; Barnett, James; Schott, Heather; Hersh, Paula; 'Shandor, Victor'
Subject: COVID 19 Situational Awareness Overview

Members of the Board,

You have been, and will continue to receive various kinds of updates from me directly and through various Public Affairs social media postings and press releases. The purpose of this message is to cut through all of that and know at a high level what I am seeing and thinking. All of you are considering the implications of all of this and have many questions and ideas. It is not physically possible for me to process all of the information and issues and share them with you in real time. I'm confident you understand this.

Here's the big picture as I see it:

1. Governance: We are figuring out how to have a virtual meeting on April 21. It will include a revised fy 21 operating budget presentation from me and a budget public hearing. Public hearing input will probably be received by email and recorded phone message that will be read by someone to the Board. We will limit all other business to things that appear absolutely necessary. Other localities have had meetings where only the Chair, CAO, attorney and clerk are in the room and everyone else participates by phone. Over the next two weeks we will sort all of that out and have a plan to communicate regarding how the meeting will work.
2. Health emergency: We are working with all of our regional neighbors in multiple ways. Several of us are on multiple daily conference calls with, among others, all Hampton Roads localities, all Peninsula localities, hospitals, schools, the Peninsula Health Department, and area institutions like the National Park Service and William and Mary. We are reconciling our personnel policies with immediate decisions I have already made regarding working from home etc. with all of the new federal personnel guidance relating to things like HPPA, FMLA, quarentining, Workers Comp etc. We are supporting our first responders in every way that we can think of. We are putting out lots of public information.
3. Finances: I believe we are entering a steep but relatively short recession and am taking all actions within my authority to anticipate how that will impact the county's finances. You will be receiving a separate, more detailed email on this topic later today. The short version is that we estimate a loss of \$4 million in revenue for fy 20 (the year we are in) and are preparing a revised, recommended budget for fy 21 that cuts most things by approximately 5% (that's a little over \$ 7 million). The Superintendent and his team fully understand the situation and its implications for the YCSD. He is cooperating fully with me.
4. Actions to support the business community and residents financially impacted by the situation: You have probably heard about some of the things other localities and the state are doing. I believe you will want the County to try to be supportive without further gutting the revenue we need to keep our own work force on an even keel.
 - a. Business and citizen support:
 - i. We have set up a web site attempting to capture the status of county business that are open.
 - ii. We have posted information about new federal assistance programs and will continue to revise as the new legislation emerges.
 - iii. We have asked the EDA to consider some type of rent abatement program for our tenants at Riverwalk (many private land lords are doing this)
 - iv. The Economic Development staff is developing the concept for a local business assistance program. (Whatever we come up with would necessarily be quite modest, but we need to at least consider what we might be able to do).

- v. Local tax relief : We need to be very careful with this notion. Some other localities are taking certain actions. Anything we may do should apply equally to all classes of citizens and businesses. I oppose any plan to allow businesses holding taxes already collected to keep that money. We may wish to consider two more modest action items. One would be to waive credit card convenience fees for a period of time (to encourage people to use credit cards as opposed to coming to our buildings). The other would be to reduce the interest rate on late tax payments. We are working with the Treasurer on that concept. One or both of those items may be appropriate for BOS action on April 21 if you support those ideas.

I'll conclude by telling you what you already know. We have a great and dedicated staff that is doing all that they can do under unprecedented circumstances.

Stay well.

Neil

Neil Morgan
County Administrator
County of York, Virginia
(757) 890-3320

Schott, Heather

From: Morgan, Neil
Sent: Thursday, March 26, 2020 9:25 AM
To: Green, Chad; Zaremba, Walter C.; Shepperd, Thomas; Noll, Sheila S.; Wassmer, Jeff
Cc: Bellamy, Mark; McGettigan, Vivian; Owens, Theresa
Subject: FINANCIAL ADJUSTMENTS BASED ON COVID19 ECONOMIC DISRUPTION AND PLANS FOR APRIL 21 ELECTRONIC MEETING

Members of the Board,

We are working through the anticipated financial implications of the COVID 19 emergency as it relates to the current fiscal year, FY2020, and the proposed budget for FY2021:

1. First, we estimate that the FY2020 budget may have an approximately \$4 million General Fund revenue shortfall. This will mainly have to be dealt with through expenditure controls which have been put in place. Included in these actions will be a short-term delay in the purchase of the Sheriff's Records Management System (RMS). The one month of sales tax revenue that we had anticipated being applied to that acquisition will now be used to **help end FY2020 as close to balance** as possible without spending reserves. Most of the \$3 million of cash capital budgeted in the General Fund for the CIP will be reallocated to improve our year-end position at the end of FY2020.
2. We are working to present a recommended, revised FY2021 budget that is reduced by approximately 5% as compared to the version I just presented to you on March 17. This will be very disappointing for all of us as it will reflect very difficult funding decisions.
3. We are slowing down and halting CIP expenditures within the current year and also integrating recommended cuts for FY2021 within the revised operating budget proposal including removing the majority of the cash capital transfer to the CIP. Judgements are being made about sunk costs, funds needed to complete tasks already underway and how to slow down other projects without abandoning them. It will take some time before I can report on these CIP plans thoroughly.
4. We are concurrently beginning some contingency planning in the event that the projected recession and corresponding decline in county revenue is more extreme than what our initial plan assumes. That work will continue in the coming weeks and will be used to provide the BOS with additional options once we get into the next fiscal year.

The general outline of the recommendations which I have described in numbers 1, 2, and 3 above will be presented by me to the Board in advance of the proposed budget public hearing on April 21. (Assuming we figure out how to do the meeting electronically, including a citizen input component). My goal would be to provide a summary report in advance of the meeting

and also make it available to the public so that any public hearing comments would be meaningful. I will update you on all of this as we make more progress.

Neil

Neil Morgan
County Administrator
County of York, Virginia
(757) 890-3320

Schott, Heather

From: Morgan, Neil
Sent: Thursday, March 26, 2020 9:13 AM
To: - Building Safety Office; All BOS Members; All Circuit Court Employees; All CS Employees; All Cty Admin Employees; All Cty Attorney Employees; All CWA Employees; All EC Employees; All Finance Employees; All FLS Employees; All GDC Employees; All HR Employees; All IT Employees; All JDR Employees; All Library Employees; All Planning and Development Services; All PW Employees; All Registrar Employees; All Revenue Employees; All Sheriff Employees; All Social Services Employees; All Treasurer Employees
Subject: Message to Staff

Greetings: So, how are you? Seriously, how are you doing during this time? Over the past two weeks, things have really changed, almost daily. And sudden changes add to all of our stress levels. It's not just work, it is also personal challenges too, and now most of us have them combined. Please remember that the County has an excellent free and confidential Employee Assistance Program (EAP). If you feel the need to speak with someone, call EAP at 757-363-6777 or 800-899-8174. Also, log onto www.optimaep.com for additional resources. Our login is "YorkCounty."

I've been impressed with the resiliency of the County staff. I have witnessed offices helping one another and employees developing new ways to interact with the public while our buildings remain closed. This type of interoffice cooperation and ingenuity is commendable and you should be applauded for all of your efforts. I look forward to hearing more about these success stories and sharing them across the organization. My sincere thanks to you for continuing to provide excellent customer service to our citizens.

One item we have been thinking about while trying to maintain social distancing is staffing levels. Many of you are at home, some with the ability to do their job and some not. I am extending that through at least the end of next week – Saturday, April 4. We are considering this to be similar to a "snow event" and leave time is paid to employees on an administrative basis if you are not working. We are not sure how we will move forward, but staff is looking at alternatives that make sense for the organization. Any changes that I decide must be implemented will not occur without as much notice as possible to impacted staff.

As I mentioned in my last message to you, we are concerned about the current operating budget, in addition to my proposed budget for fiscal year 2021. You have been putting much effort into limiting expenditures, which should help us as we approach year end. I continue to work with the Finance Director and our Budget Committee to get a better look at what our bottom line will be. Of course, right now it's too soon to tell. I will be presenting my revised FY21 budget to the Board at the April 21st meeting; however, that too will be a new proforma as we will be having the meeting remotely. As soon as I settle on what my revised recommendations to the Board will be, and communicate that to them, I will share it with all of you.

Finally, York County Economic Development is managing a list of local businesses and their hours of operation along with services being provided during the Governor's shutdown. I want to thank the Sheriff's Office for being our eyes and ears and reporting much of the business status information. If you use or know of any to add, that would be appreciated. Doing what we can to support our local businesses now is a great investment in our recovery. When shopping or seeking take out dining options, please consider them first. The list is available at www.yesyorckcounty.com/openforbusiness.

I will be sending these messages out as often as I can. In the meantime - Stay Informed, Stay Safe, & Stay Well.

Neil