



CARES Act Task Force Audit & Compliance Committee Meeting
Meeting Minutes – Thursday, November 19, 2020
1:00 p.m. Virtual Zoom Webinar

Attendance:

Committee Members Present: Co-Chair Bob Wasserbach (County Auditor), Co-Chair Michael Smith (NCC Chief Financial Officer), County Councilwoman Janet Kilpatrick, NCC Audit Committee Chair Martin Taylor and NCC Audit Committee Member Sharita Perkins.

Committee Members Absent: Tarik Haskins (Morris, Nichols, Arsht & Tunnell, LLP).

Others in Attendance: NCC Chief of Staff Aundrea Almond, Assistant County Attorney Nicholas Brannick, E. David Barth (Grant Thornton), John Eldridge (Apothic Revenue), Debbie Ament (Apothic Revenue) and 3 other NCC staff members.

Proceedings:

- Meeting was called to order at 1:04 p.m. by committee Co-Chair Bob Wasserbach.
- Co-Chair Wasserbach thanked a member of his team, Rinku Banerji, for her work on the Audit and Compliance Committee meeting minutes. Co-Chair Michael Smith made a motion to approve the minutes from the last meeting, which was seconded by Councilwoman Janet Kilpatrick. The minutes were approved unanimously.
- Co-Chair Wasserbach discussed the footnote he had added to the Subrecipient Monitoring policy. As discussed in the last committee meeting, Apothic Revenue will be requesting photographs of the equipment purchased and installed with the Winter Ready Restaurant grant money. John Eldridge from Apothic Revenue said that it wouldn't be a problem for his agency to implement the policy and all committee members agreed to this addition to the Subrecipient Monitoring policy.

Co-Chair Wasserbach invited Aundrea Almond to provide details on two new grant programs. First, Ms. Almond gave a brief overview on a \$500,000 educational grant program (which will provide up to \$1,000 per teacher's funding request to alleviate COVID-related challenges) in partnership with DonorsChoose. For this program, the County's Office of Law will be reviewing the applications received and then DonorsChoose will order supplies for approved applicants and deliver them to the teachers. Councilwoman Kilpatrick said that she had disseminated information on the education grant to individual teachers and groups. Co-Chair Wasserbach said that it was his understanding that

Grant Thornton will be doing the subrecipient monitoring of the education grant program. Co-Chair Smith agreed and added that this was because this grant program would have many grant recipients, given the maximum individual limit of \$1,000. Co-Chair Wasserbach inquired about the criteria for evaluating eligibility for the grant. Ms. Almond replied that the grant would be given for projects related to COVID-19 challenges, e.g., providing enough supplies of stationery to reduce sharing of classroom supplies among students, better cameras and speakers for virtual learning, etc. Both the County (Office of Law) and DonorsChoose will decide which projects are eligible in a November 30th meeting. Co-Chair Smith added that the County is working towards a quick turnaround time to support the teachers.

Next, Ms. Almond gave a presentation on the \$5 million grant to Delaware State University (DSU) for a COVID-19 testing lab. She explained that most COVID-19 tests are currently being sent outside the state for analysis. So, the lab would meet the immediate need to perform the COVID-19 tests, with the possibility of evolving to meet other future needs. She added that there is a broad representation from within DSU for this project. She also pointed out that the grant to DSU has an aggressive timeline of renovating a DSU building, purchasing and installing equipment, hiring staff and beginning processing of COVID-19 tests by December 15, 2020. While DSU will pay for the building renovations and lab equipment initially and then be reimbursed by the County, the County will directly pay the consultants hired to ensure that the right equipment is purchased. The Department of Land Use has been involved to ensure the timely completion of permits, etc. Committee member Sharita Perkins inquired what would happen to the facility post-COVID. Ms. Almond replied that it would be possible to morph the equipment purchased for COVID-19 testing for other testing, e.g., genomic testing. Co-Chair Wasserbach added that he had reached out to the County Attorney to see if this expenditure was permissible under the CARES Act, and the County Attorney had confirmed that it is a permissible CRF expenditure. Co-Chair Wasserbach also asked if Land Use would be speeding up the post-completion inspections for the project, to which Ms. Almond replied yes. Councilwoman Kilpatrick commented that it might be a good idea to have a discussion at the state level, possibly with the Health and Social Services Department, to see if other universities can have similar projects.

- Co-Chair Wasserbach invited John Eldridge from Apothic Revenue to provide the committee with an update on its subrecipient monitoring efforts. Mr. Eldridge told the committee that his team had reached out to the 80 recipients of the Winter Ready Restaurant grant, sent out an updated Excel workbook for subrecipient reporting, and sent reminders to all grant recipients of the approaching December 30th deadline. He noted that some of the grant recipients were facing some hardships like a shortage of contractors for installing outdoor heating equipment and a workforce shortage due to COVID-19. He said that he and Debbie Ament had actively reached about 60% of the grant recipients through either phone calls or Zoom meetings. Only a handful of grant recipients have not been responsive. Councilwoman Kilpatrick noted that of these less responsive recipients, the ones who had already received money (instead of waiting for reimbursement) posed a greater risk. Mr. Eldridge

also brought up that one of the most frequently asked questions was whether the deadline for using the funds by December 30th would be extended. Co-Chair Wasserbach said that there had been nothing from the federal government yet on extending the deadline. Councilwoman Kilpatrick wondered whether it would help to reach out to contractor associations/unions to help the restaurants speed up their installation of winter ready equipment; otherwise the colder weather could cause some of the restaurants to close permanently. It was decided that Co-Chair Wasserbach would reach out to Bryon Short from the Delaware Contractors Association. Co-Chair Wasserbach then asked Mr. Eldridge what some of the other challenges were that were being faced by the grant recipients. Mr. Eldridge and Ms. Ament described a situation where a non-profit was unable to fill out the paperwork because their staff person was out due to COVID-19, and there is also a senior center without enough staff to work with the seniors. Co-Chair Wasserbach said that he would take up these concerns with Apothic Revenue off-line.

- Co-Chair Wasserbach invited Co-Chair Smith to fill in the committee on the CARES Act CRF money given to the state. Co-Chair Smith said that a Memorandum of Understanding (MOU) has been executed with the state's Department of Labor for the Rapid Workforce Training Program. The plan is to have a MOU for each of the state programs the County will be supporting. Co-Chair Smith said that after a MOU is executed, Grant Thornton will be assisting the County with the monitoring. David Barth added that Grant Thornton had provided advice on some aspects of the MOU, e.g., what should be included to preserve the County's right to information on how the grant money was spent. Nicholas Brannick added that the MOU acknowledges New Castle County's monitoring and auditing rights. Councilwoman Kilpatrick asked who was responsible once the money was given to the state. Mr. Brannick replied that the County is ultimately responsible; however, the language in the draft MOU (between the County and the state) for the "up to \$136 million" cost-sharing program says that, in the case of an ineligible expense, the state is responsible for recovering those funds from any subrecipient and in returning such funds to the U.S. Treasury.
- Co-Chair Wasserbach asked if there were any other comments or questions from the committee members or the public. There were none.
- Co-Chair Wasserbach asked the members about their availability to meet in a couple weeks. It was decided that the next meeting would be held on December 3, 2020 at 1 p.m. Co-Chair Smith made a motion to adjourn the meeting, which was seconded by Councilwoman Kilpatrick. The meeting was adjourned at 1:48 p.m.