

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0247

LOG NAME: 362020 DISASTER ASSISTANCE COVID-19V2

SUBJECT

Adopt Ordinances Increasing Funding in the Grants Operating Federal Fund by \$2,000,000.00, for Disaster Assistance Expenditures Related to the COVID-19 Virus, and in the General Fund by \$500,000.00, for Required Matching Funds, As Needed (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$2,000,000.00, for expenses associated with the COVID-19 Virus and possible future reimbursement, and
 2. Adopt the attached ordinance increasing estimated receipts and appropriations in the General Fund in the amount of \$500,000.00, from available fund balance, for the purpose of transferring funds to the Grants Operating Federal Fund, as needed, to provide required matching funds.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take additional actions related to the tracking of expenses related to responding to the COVID-19 virus for transparency and potential reimbursement.

The City of Fort Worth is currently taking (and will continue to take) action to plan, prepare for, and respond to the spread of COVID-19 virus in the Fort Worth area with efforts of multiple City Departments currently mobilized toward that end. With the national declaration of emergency, funds should be set up in the Grants Operating Federal Fund in preparation for the possibility of participating in the federal reimbursement process. This M&C follows a prior adopted to establish an initial \$1,000,000.00 appropriation in the Grants Fund Other Fund for this same expense-tracking-and-possible-reimbursement purpose (M&C 20-0188).

FEMA generally covers most allowable expenses at 75%, meaning a 25% local funding match/cost participation could be required. The City's cost participation/local match can come from available fund balance in the General Fund, and this M&C appropriates some funds for that purpose. Because rules have not yet been established for reimbursement by other federal agencies, alternative sources may become available for the required match. If that occurs, General Fund fund balance will be reserved to the full extent possible.

Outlays currently include personnel (FEMA reimburses only overtime expenses), supplies, and contractual expenditures. Based on the current rate of consumption, we will likely exceed the initial \$1,000,000.00 set aside; thus this request for additional funds. In addition, creation of this appropriation in the Grants Operating Federal Fund will create a separate repository, in contrast with the original appropriation in the Grants Operating Other Fund. This two-prong approach will allow staff to segregate reimburseable expenses from non-reimburseable expenses.

The City will continue to look at, and take advantage of, all available sources of funding in addition to FEMA disaster recovery funds as the mechanisms for allocating and distributing the amounts specified in the recent CARES Act.

Although the situation remains uncertain, it is unlikely that any reimbursements will be eligible for indirect cost recovery.

ALL COUNCIL DISTRICTS are affected and included.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and the attached appropriation ordinances, funds will be available in the budget, as appropriated, of the General Fund and Grants Operating Federal Fund. This is a reimbursement grant. The Emergency Operations Center and Financial Management Services will be responsible for requesting reimbursement of eligible funds. All City Departments will be responsible for ensuring that only expenditures directly related to COVID-19, with appropriate documentation, are charged to this funding source.

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