

# Mayor and Council Communication

**DATE:** 09/22/20

**M&C FILE NUMBER:** M&C 20-0712

**LOG NAME:** 362020 DISASTER ASSISTANCE COVID-19V4

## **SUBJECT**

(ALL) Adopt Ordinance to Increase Estimated Receipts and Appropriations in the Grants Operating Federal Fund in the Amount of \$99,415,568.30 for Allowable Expenses Related to the COVID-19 Virus

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the attached ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$99,415,568.30 (bringing the total to \$158,715,568.30), for allowable expenses related to the COVID-19 Virus.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to take further action to facilitate the proper recording and tracking of revenues and expenses relating to the City's response to the COVID-19 virus, for transparency and reimbursement, by increasing appropriations in the Grants Operating Federal Fund to \$158,715,568.30, which represents the full amount received from the U.S. Treasury.

The City of Fort Worth is continuing to take action to plan, prepare for, and respond to the on-going spread of COVID-19 virus in the Fort Worth area, with efforts of multiple City Departments currently mobilized toward that end. Pursuant to the federal CARES Act, Title V, the City has received a maximum award and funds in the amount of \$158,715,568.30; however, per the guidance received from U.S. Treasury, these funds can only be spent to reimburse the City for expenses which A) result from certain COVID-related activities, B) were not budgeted for in the City's current Fiscal Year budget, and C) which occurred during the timeframe of the declared emergency (3/1/20 through 12/30/20). Based on the current state of the law and federal guidance, the award cannot be used to cover lost revenues or similar municipal economic impacts.

To date, previously appropriated funds are being used to reimburse the City for expenses incurred in the fight against COVID-19, such as salaries and benefit costs for employees repurposed to prevent and deal with the impacts of the virus; new benefits mandated by federal law (Emergency Paid Sick Leave and Emergency Family and Medical Leave Act pay); costs of masks, gloves, and sanitizing agents; costs of retrofitting City facilities to better comply with anti-COVID best practices and enhance citizen and employee safety (plexi-glass shields, reengineered facility workflows, etc.); IT costs of virtual meetings and infrastructure to support a remote workforce; increased Unemployment costs resulting from COVID-caused furloughs; saliva testing for citizens; and a community COVID-19 prevalence study. In addition, funds have been used for community support in areas such as small business grants (Preserve the Fort), rent and utility assistance to citizens (FWCares), a funding program for non-profits directly serving Fort Worth residents, and providing emergency supplies (such as masks) to the community. Deliberations are already underway regarding optimal uses for remaining funds, though funds have provisionally been reserved for additional saliva testing and another phase of community support programs. Final program parameters will be subject to pending federal legislation, if passed.

The figures referenced in this M&C are limited to funds under Title V of the CARES Act and independent of other federal awards specified in the CARES Act or other federal legislation, which have been and will continue to be addressed in other M&Cs.

This M&C follows an original M&C that established an initial \$1,000,000.00 appropriation in the Grants Operating Other Fund (M&C 20-0188), a follow-up M&C establishing the Grants Operating Federal Fund appropriation in the amount of \$2,000,000.00 for this same expense tracking and reimbursement purpose (M&C 20-0247), and a third M&C (M&C 20-0263) bringing the total federal grant appropriation up to \$50 million. Additionally, another M&C (20-0518) was passed specifically regarding protective housing for high-risk COVID homeless persons requiring permanent supportive services and appropriating \$9.3 million of CARES Title V funds. As discussed in those previous M&Cs, any non-reimbursable expenditures will need to be covered by transfers from the General Fund, either from budget savings or unobligated fund balance.

The City will continue to evaluate and take advantage of all available sources of funding as mechanisms to reduce the impact of COVID on the General Fund.

Although final details of all federal programs have yet to be released, we are not currently expecting to recover indirect costs relating to these expenditures.

ALL COUNCIL DISTRICTS are affected and included.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Department of Treasury

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and the attached appropriation ordinance, funds will be available in the budget, as appropriated, of the Grants Operating Federal Fund. This is an advance grant. The Emergency Operations Center and Financial Management Services will be responsible for identifying and approving eligible and ineligible expenditures. All City Departments will be

responsible for ensuring that only expenditures directly related to COVID-19, incurred during the allowable period, with appropriate documentation, are charged to this funding source.

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