

Mayor and Council Communication

DATE: 04/29/20

M&C FILE NUMBER: M&C 20-0263

LOG NAME: 362020 DISASTER ASSISTANCE COVID-19V3

SUBJECT

Accept the CARES Act Title V Award from the U.S. Department of the Treasury in the Amount of \$158,715,568.30 and Adopt Ordinances to Increase Estimated Receipts and Appropriations in the Grants Operating Federal Fund in the Amount of \$48,000,000.00 and in the Grants Operating Other Fund in the Amount of \$2,000,000.00 for Disaster Response Expenses Related to the COVID-19 Virus (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Accept the CARES Act Title V award from the U.S. Department of the Treasury in the amount of \$158,715,568.30;
 2. Adopt the attached ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount of \$48,000,000.00 (bringing the total to \$50,000,000.00), for allowable expenses related to the COVID-19 Virus; and
 3. Adopt the attached ordinance increasing estimated receipts and appropriations in the Grants Operating Other Fund in the amount of \$2,000,000.00 (bringing the total to \$3,000,000.00), from available funds, for the purpose of covering non-reimbursable COVID-related expenditures.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take additional actions related to the acceptance and tracking of revenues and expenses related to the City's response to the COVID-19 virus, for transparency and reimbursement, where allowable: increasing appropriations to \$50 million in the Grants Operating Federal Fund and \$3 million in the Grants Operating Other Fund.

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, this 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). The award cannot be used to cover lost revenues or similar municipal economic impacts.

This M&C will bring the appropriation level in the federal grant fund up to a total of \$50,000,000.00 to cover current and on-going City expenditures. Current and projected outlays include personnel, supplies and equipment, and contractual expenditures. The City is developing a plan to use a significant portion of the remainder to provide funding for community assistance programs. Additional appropriation M&Cs will be brought forward for City Council approval as programs are developed.

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 will be addressed in future M&Cs.

Based on the current rate of consumption, we will also likely exceed the initial \$1,000,000.00 set aside in the Grants Operating Other Fund, so the second appropriation ordinance will increase the limit in that fund, which, in addition to serving as a staging area, will capture any non-reimbursable expenditures, with reimbursable expenditures being funneled into the Grants Operating Federal Fund. This two-prong approach will allow staff to segregate reimbursable expenses from non-reimbursable expenses while maintaining the total cost of the COVID response in a single project.

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) and 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). 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 program parameters have yet to be released, 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 contract will be with a governmental entity, state agency or public institution of higher education: U.S.

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 Grants Operating Federal Fund and Grants Operating Other Fund. This is an advance grant. The Emergency Operations Center and Financial Management Services will be responsible for classifying eligible and ineligible expenditures. 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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