



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of September 22, 2020  
Second Reading Ordinance for the City Council Meeting of September 29, 2020

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**DATE:** September 7, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert, Director of Finance and Business Analysis  
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Ordinance Appropriating Coronavirus Relief Funds
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**CAPTION:**

Ordinance accepting and appropriating \$7,268,376 from the Coronavirus Relief Fund, established by the CARES Act and provided through the State of Texas, for prevention, preparation for, and response to the COVID-19 pandemic

**SUMMARY:**

The City of Corpus Christi received \$17,960,470 from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for Coronavirus Relief Funds (CRF). The City separately allocated and transferred \$3,200,000 of the award to Nueces County for expenses related to the public health emergency. In addition, the City and County identified \$3,900,000 that will be used for programs and expenses identified by a joint spending plan. This agenda item will appropriate an additional \$7,268,376 of the funds for a total appropriation of \$10,860,470 to support City expenses and programs related to the public health emergency.

**BACKGROUND AND FINDINGS:**

The CARES Act established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion to this Fund. Under the CARES Act, the CRF is to be used to make payments for specific uses to states and certain local governments. The CARES Act provides that payments from the Fund may only be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government);

and

3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Expenses that qualify under these criteria are then categorized into six expense categories:

1. Medical Expenses
2. Public Health Expenses
3. Payroll Expenses for employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency
4. Expenses of action to facilitate compliance with COVID-19 related public health measures
5. Expenses associated to the provision of economic support in connection with the COVID-19 public health emergency
6. Any other COVID-19 related expenses reasonably necessary to the function of the government that satisfy the Fund's eligibility criteria

The State of Texas included regulations requiring that up to 100% of the funding can be used for categories 1-3 but only up to 25% can be used for categories 4-6.

Cities with a population of less than 500,000 located in a county with a population of less than 500,000 were allocated funds for CRF from the CARES Act based on a per capita basis at \$55 per person. This equates to a total distribution of up to \$17,960,470 for Corpus Christi (326,554 population x \$55 per person). County allocations were calculated based on the population in the unincorporated areas of the county. Nueces County has been allocated up to \$830,665 (15,103 x \$55 per person). The federal guidance encourages cities and counties to work together to address expenses that cross jurisdictional lines.

City staff applied for the initial 20% allocation from the Texas Department of Emergency Management (TDEM) in late May and received the funds in June. City Council approved the appropriation of the \$3,592,094 in June. The City worked with Nueces County to identify the current and expected expenses for the County related to the public health emergency and transferred \$3.2M of the grant to the County for these expenses. The City identified current and future expenses of approximately \$10.8M related to the public health emergency. The remaining \$3.9M of the grant funds will be used to fund expenses and programs identified by both the City and County through a spending plan.

#### **ALTERNATIVES:**

An alternative would be to not take advantage of the federal funding provided.

#### **FISCAL IMPACT:**

The City will reimburse existing COVID-19 related expenditures with these funds and will create an action plan to ensure all funds are utilized appropriately. The City's entire allocation \$17,960,470 less the \$3.2M allocated to Nueces County and the \$3.9M for

future expense will be recorded in a grant fund (Fund 1063 Emergency Management Grant Fund) and managed accordingly to comply with all federal requirements.

**FUNDING DETAIL:**

Fund:	1063 Emergency Management Grant Fund
Organization/Activity:	690001F CARES Act CRF Grant
Mission Element:	n/a
Project # (CIP Only):	n/a
Cost:	\$7,268,376

**RECOMMENDATION:**

Staff recommends approval of the ordinance to accept and appropriate \$7,268,376 of Coronavirus Relief Funds in the City's grant fund.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Coronavirus Relief Fund - Terms and Conditions