



AGENDA MEMORANDUM

Action Item for the City Council Meeting of December 19, 2017

DATE: December 14, 2017

TO: Margie C. Rose, City Manager

FROM: Sylvia Carrillo-Trevino, Assistant City Manager
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Appropriation of Funds for Damage Repairs due to Hurricane Harvey

CAPTION:

Ordinance appropriating total of \$9,667,223.13 as follows for Hurricane Harvey repairs: \$7,006,023.13 in the No. 1020 General Fund; \$168,750.00 in the No. 1030 Hotel Occupancy Tax Fund; \$56,250.00 in the No. 1130 Arena Fund; \$1,125,654.00 in the No. 4010 Water Fund; \$300,000.00 in the No. 4200 Wastewater Fund; \$450,000.00 in the No. 4610 Airport Fund; \$337,500.00 in the No. 4670 Development Services Fund; and \$223,046.00 in the No. 4700 Marina Fund; amending the Operating Budget adopted by City Ordinance No. 031255 by increasing expenditures by \$9,667,223.13; and declaring an emergency.

PURPOSE:

To appropriate funds for repairs required due to damages sustained in Hurricane Harvey.

BACKGROUND AND FINDINGS:

Hurricane Harvey damages have been grouped into four (4) categories: Urgent, High, Medium, and Low. The Urgent repairs are being handled through other venues such as operational budgets and will be submitted to FEMA for reimbursement. Staff will be seeking assistance from the Tax Increment Reinvestment Zone (TIRZ) #2 board for design assistance for the Packery Channel project to determine a more detailed scope of work and cost projection. Staff will return to the City Council for future requests as needed. Further, the Corpus Christi Museum of Science and History work is underway with an emergency declaration Council approved in October of 2017.

<u>Urgent</u>	<u>Amount needed from Fund Balances</u>
Wastewater -\$59,240	\$0
Packery Channel - \$7-10 Million	\$0
Corpus Christi Museum - \$500,000	\$0

Staff is seeking funding for the High category to begin the needed repairs. Many of the repairs will require fund balances in respective areas to be drawn down below policy levels. Where available, staff has utilized operational budgets to minimize the drawn down of fund balance.

The estimated repair costs for the Convention and Arena funds are estimated at \$225,000. Two- third of the expense, or \$168,750 is attributable to the Convention Fund and the remaining one-third to the Arena Fund, or \$56,250.

The Marina Fund will require a drawn down of the fund balance to the 25% policy threshold of \$223,406. The fund will require assistance from the General Fund in the amount of \$526,954 to repair the estimated \$750,000 in repairs.

The Facilities fund balance has been depleted to the minimum 3% fund balance and therefore will also require assistance from the General Fund in the amount of \$14,164.

Staff is working diligently to ensure all appropriate documentation to FEMA is provided to seek the maximum reimbursement amount of 75% of the repairs costs.

<u>High</u>	<u>Amount needed from Fund Balances</u>
General Fund – (1020) - \$6,496,906	\$ 6,464,905
HOT Fund - (1030) - \$168,750	\$168,750
Arena Funds- (1130) - \$56,250	\$56,250
State HOT Fund – (1032) - \$615,000	\$0
Water – (4010) - \$1,135,629	\$1,125,654
Wastewater – (4200) - \$329,190	\$300,000
Airport – (4610) - \$450,000	\$450,000
Development Services - (4670) - \$337,500	\$337,500
Marina – (4700) - \$750,000	\$223,046
General Fund for Marina (4700)	\$526,954
Visitors – (4710) - \$5,250	\$0
Facilities (5115)	\$0
General Fund for Facilities (5115)	\$14,164

ALTERNATIVES:

Do not repairs damages.

OTHER CONSIDERATIONS:

Based on prior experience, reimbursement from FEMA may take more than 18 months.

CONFORMITY TO CITY POLICY:

Conforms to City Policies

EMERGENCY / NON-EMERGENCY:

Emergency

DEPARTMENTAL CLEARANCES:

Finance

Budget

Emergency Operations

Assistant City Manager

FINANCIAL IMPACT:☐ Operating☐ Revenue☐ Capital☐ Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$0	\$0	\$0
Encumbered / Expended Amount	\$0	\$0	\$0
This item	\$9,667,223.13	\$0	\$9,667,223.13
BALANCE			

Comments: Fund Balance needed for Hurricane Harvey damage repairs.**RECOMMENDATION:**

Staff recommends appropriating the funds for repairs.

LIST OF SUPPORTING DOCUMENTS:

See Appendix 1 for a complete project list

Ordinance