



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of July 14, 2020
Second Reading Ordinance for the City Council Meeting of July 21, 2020

DATE: June 30, 2020

TO: Peter Zaroni, City Manager

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

CAPTION:

Ordinance accepting and appropriating \$3,592,094.00 in the City of Corpus Christi's Emergency Management Grants Fund as a partial disbursement from the Coronavirus Relief Fund, established by the CARES Act and provided through the Texas Department of Emergency Management, for prevention, preparation for, and response to the COVID-19 pandemic

SUMMARY:

The City of Corpus Christi received a 20% allocation from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for Coronavirus Relief Funds (CRF). This agenda item is needed to appropriate the funds so that they can be expended. The remaining 80% (or \$14,368,376) will be received on a reimbursement basis and an additional appropriation will be brought to City Council for approval once a spending plan is formalized.

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. Staff is currently working with the Health District and other City departments to identify allowable expenses that have been incurred to date and to develop a plan of action to utilize the available funds. City staff will work with Nueces County to identify potential opportunities to reimburse Nueces County for their allowable COVID-19 related costs, in excess of their \$830,665 federal allocation.

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 entire appropriation for the City of Corpus Christi of \$17,960,470 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:	\$3,592,094

RECOMMENDATION:

Staff recommends approval of the ordinance to accept and appropriate \$3,592,094 of Coronavirus Relief Funds in the City's grant fund.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Coronavirus Relief Fund - Terms and Conditions