



**CITY OF ROWLETT
CITY COUNCIL
SPECIAL MEETING**

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Monday, October 26, 2020

6:00 P.M.

Municipal Building

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Due to the public health emergency and to conform with the social distancing requirements, the City Council meetings will be held via teleconferencing. The public can view live on the City's website (<https://www.ci.rowlett.tx.us/397/Streaming-Video>) or via RTN16.

To listen to the meeting live, call 888-550-3932 and enter Meeting #: 161 240 7714

To provide comment for an agenda item, please send an email to CitizenInput@rowlett.com by 3:30 p.m. the day of the meeting. There will be no comments taken during the meeting.

1. **CALL TO ORDER**
2. **Discuss status of Dallas County and Texas Division of Emergency Management (TDEM) Coronavirus Relief Fund (CRF) allocations and other Coronavirus Aid, Relief, and Economic Security (CARES) Act and take action on the final use of CRF allocations. (60 minutes)**
3. **TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS**
4. **ADJOURNMENT**

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 23rd day of October 2020, by 5:00 p.m.

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.



CITY OF ROWLETT COUNCIL AGENDA ITEM

AGENDA DATE: 10/26/2020

AGENDA ITEM: 2

TITLE

Discuss status of Dallas County and Texas Division of Emergency Management (TDEM) Coronavirus Relief Fund (CRF) allocations and other Coronavirus Aid, Relief, and Economic Security (CARES) Act and take action on the final use of CRF allocations. (60 minutes)

STAFF REPRESENTATIVE


Ed Balderas, Emergency Management Coordinator

EXECUTIVE SUMMARY

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27, 2020. This over \$2 trillion economic relief package was designed to protect the American people from the public health and economic impacts of COVID-19. The CARES Act provides *fast and direct* economic assistance for American workers, families, and small businesses, and preserves jobs for American industries.

A total of \$3,688,025 has been made available to the City from the Treasury Department’s CARES Act-authorized Coronavirus Relief Fund (CRF) program. These funds can be used to provide assistance to businesses, households, and public organizations impacted by or responding to the COVID-19 public health emergency. While the City’s \$439,065 allocation through TDEM has been set aside to cover the City’s COVID-19 related expenses, its \$3,248,960 Dallas County allocation has been set aside to both provide assistance to the community and reimburse the City for its COVID-19 related expenses. The City must submit its final Dallas County CRF allocation project proposals and spending plan by October 31, 2020 and spend the allocation by November 30, 2020. The purpose of this item is to discuss the status of the CRF allocations and receive direction from City Council on the final use of the \$3,248,960 Dallas County CRF allocation.

STRATEGIC PRIORITY AND GOAL(S)

Strategic Priority	Strategic Goal
 <p>GOVERN TRANSPARENTLY & INCLUSIVELY</p>	<p>1.8 Provide accurate and timely information to policy makers and the public.</p>

BACKGROUND INFORMATION

A total of \$3,688,025 has been made available to the City from the Treasury Department’s CARES Act-authorized Coronavirus Relief Fund (CRF) program. These funds can be used to provide

assistance to businesses, households, and public organizations impacted by or responding to the COVID-19 public health emergency.

At the July 20, 2020 special meeting, City Council approved staff's plan to use the City's \$439,065 TDEM CRF allocation for the reimbursement of City expenses related to its COVID-19 response. To date, the City has been reimbursed \$41,942 for labor costs. For the remaining allocation amount of \$397,123, staff plans to submit a reimbursement request for additional labor and contract costs. Staff is also using a \$191,965 grant through the Office of the Governor's (OOG) Coronavirus Emergency Supplemental Funding (CESF) Program to reimburse the City for labor, equipment, and personal protective equipment purchasing costs. City Council also provided guidance to staff on the use of the City's \$3,248,960 Dallas County CRF allocation. Staff was directed to set aside 33% (\$1,072,157) for business and non-profit assistance, 17% (\$552,323) for individual/household assistance, 25% (\$812,240) for City expense reimbursements, and 25% (\$812,240) for funding reserves. During this meeting, an ad-hoc committee was directed to develop a revised Rowlett Business Stimulus (ROBUST) Grant program, using the program authorized by Council at the April 4, 2020 regular meeting as a foundation.

At the August 4, 2020 regular meeting, City Council approved a recommendation from the ad-hoc committee to use the \$1,072,157 business and non-profit assistance allocation to reimburse the City for its initial \$100,000 ROBUST Grant program, provide an additional \$913,827 in ROBUST Grant assistance, and reimburse the City for up to \$58,330 in ROBUST Grant program management costs. City Council also approved the ad-hoc committee's recommendation to not provide non-profit assistance through the 33% allocation, but rather provide up to \$50,000 in assistance to both Hope in Hand and Life Message for food pantry operational expenses. Funding for the \$100,000 in assistance to these two organizations would be pulled from the City's 25% (\$812,240) reserve allocation.

At the September 15, 2020 regular meeting, City Council approved staff's proposal for an individual/household assistance program. Of the \$552,323 previously set aside, \$502,112 would be made available as direct assistance to Rowlett residents and \$50,211 would be available as a do-not-exceed amount for contracted management costs.

As of October 16, 2020, the three rounds of the ROBUST Grant program are expected to have provided \$789,125 of the \$1,013,827 allocated by City Council. This will leave at least \$224,702, plus any unspent management cost reimbursement funds, available from the 33% allocation for business assistance. The following table provides a summary update of the ROBUST Grant program.

(The remainder of this page intentionally left blank.)

Rowlett Business Stimulus (ROBUST) Grant Program Update – October 16, 2020						
Status	Round 1 Applications	Round 1 Amount Awarded	Round 2 Applications	Round 2 Amount Awarded/Pending	Round 3 Applications	Round 3 Amount Awarded/Pending
Received Grant	19	\$ 100,000	54	\$ 284,745		
Business Closed			3			
Declined/Withdrew	1		5		1	
No Documentation or Disqualified	1		7		3	
In Review/Pending			2	\$14,000	19	\$390,380
Denied by Committee	1					
Totals	22		71		23	

As of October 16, 2020, the City's individual/household assistance program had only distributed \$7,933 of the \$502,112 in assistance available to residents. Additionally, of the \$50,211 set aside for contracted management costs, only \$793 is billable to date. Because the application period for this program ends on October 31, 2020, the final amount of funds distributed through this program will not be known until mid-November 2020. However, staff anticipates that approximately \$500,000 of the individual/household assistance allocation will remain unspent by November 30, 2020. The following table provides a summary update of the Rowlett Individual/Household Assistance Program.

Rowlett Individual/Household Assistance Program Update – October 16, 2020	
Program Start Date	9-23-20
Applications Received	26
Applications Reviewed to Date	24
% Reviewed	92%
Applications Pending Review	2
Applications Declined	1
Applications Approved	7
% Approved	29%
Applications Undecided	16
Funds Distributed	\$7,933
Average per Client	\$1,133
Direct Assistance Funding Remaining	\$494,179
Billable Management Costs	\$793
Management Cost Funding Remaining	\$49,418
Total Funding Remaining	\$543,597

As of October 19, 2020, no funds have been distributed to Hope in Hand nor Life Message. Staff continues to work through the funding parameters to identify possible funding opportunities.

However, a significant portion of this allocation is expected to remain unspent by the November 30, 2020 deadline.

As of October 13, 2020, staff has identified approximately \$500,000 in eligible and substantiated labor and supply expenses related to the City's COVID-19 response efforts that can be reimbursed through the Dallas County CRF allocation. Staff has also identified at least \$2 million in budgeted FY20 public safety payroll costs that can be reimbursed through the allocation. This will provide the City with a catchall, contingency plan to ensure none of its Dallas County CRF allocation is returned, due to assistance program and response expense underruns.

DISCUSSION

The City must submit its final Dallas County CRF allocation project proposals and spending plan by October 31, 2020 and spend the allocation by November 30, 2020. As of October 19, 2020, staff expects that at least \$224,702 from the business assistance allocation, \$500,000 from the individual/household assistance allocation, and a majority of the \$100,000 allocation for food pantry assistance will remain unspent by November 30, 2020. The remaining \$712,240 from the reserve allocation and approximately \$300,000 from the City expense reimbursement allocation will also remain unspent. Staff anticipates that, using the current project/program allocations, a total Dallas County CRF allocation underrun of \$1.8 million to \$1.9 million will exist by November 30, 2020. One possible change that will reduce the projected underrun is an increase to the maximum amount of funding, which is currently \$25,000, available to each eligible applicant of the third round of the ROBUST Grant program. Staff has not identified any other eligible changes to its assistance programs that will reduce anticipated underruns.

On September 2, 2020, updated guidance from the U.S. Treasury made it clear that certain budgeted personnel costs are an eligible expense for the purpose of reimbursement through the CRF program. Staff proposes the use of this updated guidance charge certain budgeted FY2020 personnel costs as part of its reimbursement strategy. The amount submitted will be adequate to cover any possible program underruns and ensure that none of the City's allocation has to be returned. This strategy will provide the City maximum flexibility and time to ensure it meets the community's needs regarding its COVID-19 response and business/individual assistance programs without the accelerated deadlines imposed from the County, State or Federal government.

To meet the Dallas County CRF allocation project proposal and spending plan submission deadline of October 31, 2020, staff is seeking direction on the following:

1. Is there consensus from Council regarding final changes to funding parameters for the ROBUST program? or
2. Is there consensus from Council on any other final changes to assistance program parameters and allocation amounts under its Dallas County CRF allocation? or
3. Is there consensus from Council on the use of eligible FY2020 personnel costs as part of the City's reimbursement strategy?

FINANCIAL/BUDGET IMPLICATIONS

There is no direct financial impact from this agenda item.

RECOMMENDED ACTION

Provide final direction with regard to the City's use of its Dallas County CRF allocation.