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FINANCE & RECORDS

To: Carol Webb, City Administrator

From: Nancy A. Lueck, Finance Director

Date: August 31, 2020

Re: Resolution Requesting Reimbursement from the Iowa COVID-19 Local Government Relief Fund

Introduction:

On August 4, 2020, the Iowa Governor announced the availability of \$125 million in federal CARES Act funding for the purpose of reimbursing Iowa's city and county governments' COVID 19 response expenses. The Governor has allocated \$60 million to reimburse city governments, \$40 million to reimburse county governments, and \$25 million to reimburse local cost-share requirements associated with FEMA Public Assistance funding.

Covered expenses may include personal protective equipment (PPE), sanitizing products, testing equipment, public health and public safety payroll costs related to the public health emergency, technology and equipment necessary to maintain services and meetings while social distancing, among others. Local governments may claim up to 25% of payroll costs for public health employees and 25% of payroll costs for public safety employees as payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll expenditures incurred between March 1, 2020 and December 30, 2020, which were approved and budgeted by March 27, 2020, are presumed to be qualifying payments eligible for reimbursement.

Prior to requesting these state reimbursement funds, local governments must first submit eligible expenses to FEMA for reimbursement through the Public Assistance program. Local cost-share expenses required by FEMA and other claims can then be submitted to the Iowa COVID-19 Local Government Relief Fund for reimbursement.

In advance of submitting a claim, local governments must pass a local resolution stating their claims' adherence to all applicable state and federal guidance and a recognition of liability for repayment of distributed funds due to misrepresentation.

City Funding Information:

Costs claimed under both the regular allocation and the FEMA matching funds need to exclude costs already funded by other sources. The other sources include direct CARES Act funding already awarded to the City which includes funding for the Fire Department Ambulance Service (\$41,927.70), the Police Department Supplemental JAG grant (\$60,827.00), Public Transit (\$1,151,416), the Airport (\$69,000), Public Housing (\$44,388), and Section 8 Housing Voucher

Program (\$91,545). These grants total \$1,459,103.70. Each of these grants have specific provisions for items covered and documentation needed for grant expenditures.

FEMA Matching Portion of Funding - for the FEMA matching portion of the application, costs not covered by specific grants include costs in the Building and Grounds, Roadway Maintenance, Parks (including the Golf Course), Library, Art Center, WPCP, Transfer Station, IT, and general City administration budgets. Finance staff has been working with staff of these departments to identify eligible costs and has also begun the FEMA application process. The FEMA funding application is required prior to applying for the other portion of funding. Costs identified to date in these departments are approximately \$21,000. FEMA will fund 75% of eligible costs (estimated at \$15,750), and the 25% non-federal share (estimated at \$5,250) will be funded from the State's allocation.

General Allocation Funding – the other portion of the funding allocation (totaling \$100,000,000) is being allocated to cities and counties based on 2019 estimated populations. For the City of Muscatine, this amount is \$561,627.69. This allocation is specifically to fund costs not covered by FEMA. Per the guidance for this funding allocation, local governments may presume that 25% of payroll costs for public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Since public safety payroll costs during the specified period of time, (March 1, 2020 through July 31, 2020), exceed the \$561,627.69 allocation, the City will be submitting documentation of those costs to claim the City's funding amount.

Recommendation:

As part of the application for this funding, a City Council resolution is required. The deadline for submitting the funding application is September 15, 2020.

Please include the Resolution Requesting Reimbursement from the Iowa COVID-19 Local Government Relief Fund on the September 3, 2020 agenda. If you have any questions, please contact me.

Resolution No. _____

**RESOLUTION REQUESTING REIMBURSEMENT FROM THE
IOWA COVID-19 LOCAL GOVERNMENT RELIEF FUND**

A Resolution by the City of Muscatine to request reimbursement for eligible costs related to the COVID-19 public health emergency from the Iowa COVID-19 Government Relief Fund.

WHEREAS, the United States Congress approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide economic relief related to the COVID-19 pandemic.

WHEREAS, Governor Kim Reynolds allocated \$125 million of the State of Iowa's CARES Act funding to local governments for direct expenses incurred in response to the COVID-19 emergency.

WHEREAS, local government funding reimbursements may only be used for necessary expenditures incurred due to the COVID-19 pandemic, were not accounted for in the current fiscal year city budget, were incurred during the time period of March 1, 2020 through December 30, 2020, and have not been reimbursed from other sources.

NOW, THEREFORE BE IT RESOLVED, the City of Muscatine requests reimbursement of \$561,627.69 in eligible expenditures in response to the COVID-19 public health emergency based on the City's population plus the 25% non-federal share cost of COVID-related costs claimed from FEMA funds .

BE IT FURTHER RESOLVED, the City of Muscatine affirms that the above requests for reimbursement follow all formal published Federal and State of Iowa guidance on how the funds should be spent, and understand if the reimbursements are misrepresented, the local government will be liable for any applicable penalty and interest.

ADOPTED by the City Council for the City of Muscatine on this 3rd day of September 2020.

Diana Broderson, Mayor

ATTEST:

Carol A. Webb, City Administrator