



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** May 18, 2020
SUBJECT: Consider Interlocal Agreement with Tarrant County for Coronavirus (COVID-19) Relief Fund Allocation
PRESENTER: Mark Hindman, City Manager

SUMMARY:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) includes funding for state, local and tribal governments in the form of reimbursement for certain eligible expenses that were incurred in responding to the COVID-19 public health emergency and related impact. The CARES Act established the Coronavirus Relief Fund (the Fund) and appropriated \$150 billion to the Fund. As a city located within a county with a population of greater than 500,000, North Richland Hills must receive any allocation from the Fund from the allocation provided to Tarrant County. An interlocal agreement (ILA) with Tarrant County establishing the terms, processes and conditions for receiving and expending these funds is required in order to access the city's allocation. An ILA of this nature with Tarrant County is attached for your review and approval.

GENERAL DESCRIPTION:

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) includes funding for state, local and tribal governments in the form of reimbursement for certain eligible expenses that were incurred in responding the COVID-19 public health emergency and related impact. Per the requirements of the CARES Act, local governments can be reimbursed for 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.

All funds must be spent within the guidelines for the Fund as established by the U.S. Treasury Department and any monies not expended in compliance with these regulations are subject to recapture by the federal government. The City staff has been monitoring and recording all expenditures related to the COVID-19 public health emergency. Further research will be done to better understand the eligibility criteria and to seek reimbursement for all eligible expenses.



The CARES Act established the Coronavirus Relief Fund (the Fund) and appropriated \$150 billion to the Fund. Cities and Counties with a population of greater than 500,000 were direct recipients of monies from the Fund while the remaining funding was provided to the State of Texas. The State of Texas has allocated funding to cities and counties below a population of 500,000 at a level of \$55.00 per capita. For counties with a population of less than 500,000 the allocation will go to each city based on its population and the county will receive the per capita share for all residents living in the unincorporated sections of the County. Cities located in counties with a population of greater than 500,000 must look to their county for allocation of any of these funds.

Since North Richland Hills is located in Tarrant County which has a population of greater than 500,000 we must seek funding from the allocation provided to Tarrant County. Fortunately, in the traditional cooperative spirit of Tarrant County, the County Commission has determined that they will reallocate a portion of their funding to all Tarrant County cities based on the same \$55.00 per capita allocation the State of Texas is using for cities located in counties with populations of less than 500,000. City staff believes this a very fair method for allocation of this funding and has requested that Tarrant County provide an interlocal agreement (ILA) outlining the funding procedures and processes. The ILA is now submitted to the City Council for review and approval.

RECOMMENDATION:

Approve Interlocal Agreement with Tarrant County for the allocation of funding from the Coronavirus Relief Fund.