

CITY OF BURNET

# FEMA Public Assistance Funding

Proposed Fund Restriction

## City Council Regular Meeting April 14, 2026

Discuss and consider action: Resolution No. R2026-28: P. Langford

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET,  
TEXAS, AUTHORIZING THE RESTRICTION OF A PORTION OF FEMA  
PUBLIC ASSISTANCE REIMBURSEMENTS FOR POTENTIAL AUDIT  
LIABILITY



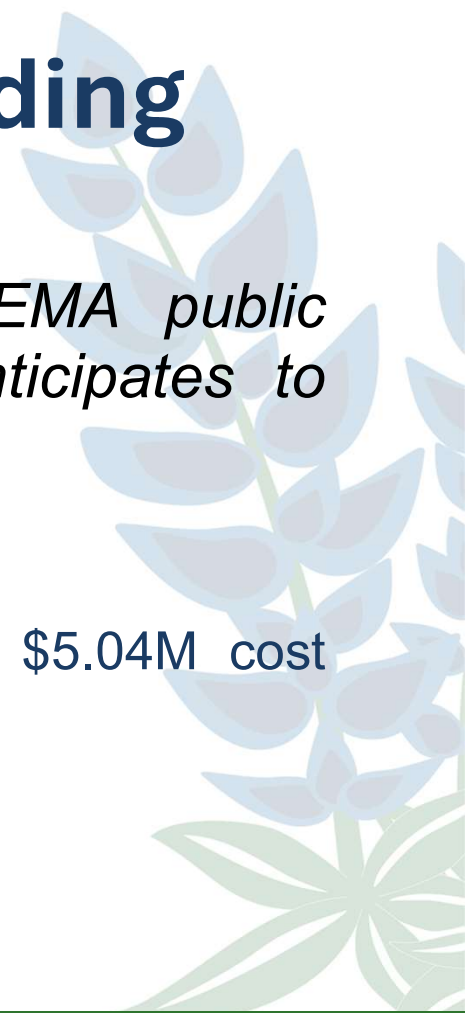
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# FEMA Public Assistance Funding

## Proposed Fund Restriction

*Staff is proposing to restrict a portion of the FEMA public assistance reimbursements received and that it anticipates to receive*

- City is currently managing 19 active FEMA projects
- **Estimated** total reimbursement is up to \$3.78M (75% of \$5.04M cost estimates to date)
- Projects and costs are still evolving



# FEMA Public Assistance Funding

## Proposed Fund Restriction

*All projects have strategically been classified as “small projects” (<\$1.09M) to streamline the recovery process*

### Small Vs Large Project Differences

- **Small Projects:** Final funding is generally based on the **estimate** at the time of approval. This allows for faster reimbursement and fewer documentation requirements
- **Large Projects:** Funding is based on **actual costs** incurred to complete the work, requiring detailed documentation, cost-estimating procedures, and regular progress reports

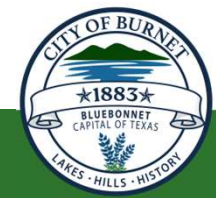


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### *Current Status*

- 3 projects – funding has been received
- 8 projects **obligated by FEMA** – meaning funding has been approved and sent to State (TDEM); TDEM then verifies scope completion and funds are released to City
- 8 remaining projects:
  - Field work is still ongoing
  - Awaiting FEMA action due to federal delays

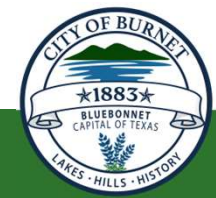


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## Proposed Fund Restriction

### *Audit Risk*

- FEMA can audit up to 3 years after closeout
- Audits may require repayment of funds
- Risk higher due to “small project” status and driven by:
  - Documentation requirements
  - Scope compliance
  - Changing project costs



# FEMA Public Assistance Funding

## Proposed Fund Restriction

*To protect the City against potential audit liability staff is recommending to restrict a portion of FEMA reimbursement funds as a **Safeguard***

- Set aside 25% of reimbursements
- Cap at \$750,000
- Current restriction (based on funds received):
  - \$42,693 (25% of completed projects to date excluding Airport)
  - Airport funds received in the amount of \$28,210.43 excluded (remain in Airport)



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## Recommendation

- Finance committee has reviewed and supports this approach.
- Staff recommends approval of Resolution R2026-28 as presented.

# Questions?



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