



# REQUEST FOR COUNCIL ACTION

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**Title:** Request for Council Action – FEMA/State of Oregon Infrastructure Contract

**Preferred Agenda:** June 9, 2020

**Submitted By:** Brandon Neish, Finance Director

**Reviewed By:** Ray Towry, City Manager

**Type of Action:** Resolution \_\_\_\_ Motion  X  Roll Call \_\_\_\_ Other \_\_\_\_

**Relevant Code/Policy:** 42 U.S.C. ch. 68 § 5121

**Towards Council Goal:** Goal 2.6: Employ sound technology to maximize efficiency  
Goal 3.2: Improve community safety, Police, Community Design, etc.

**Attachments:** Oregon Military Department Office of Emergency Management FEMA-DR-4499-OR Letter  
State of Oregon Office of Emergency Management Infrastructure Contract 4499-DR-OR

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**Purpose of this RCA:**

To review and authorize staff to enter into an agreement with the Oregon Office of Emergency Management (OEM) and the Federal Emergency Management Agency (FEMA) for distribution of disaster funds related to novel coronavirus (COVID-19).

**Background/Context:**

The Governor of the state of Oregon declared a state-wide emergency due to the COVID-19 pandemic by Executive Order 20-03 on March 8, 2020. The President of the United States of America declared a nationwide emergency authorizing FEMA disaster funds and assistance under Title V of the Stafford Act on March 13, 2020. On March 19, 2020, the City of Sweet Home declared a state of emergency due to the COVID-19 pandemic. The City has incurred nearly \$60,000 in costs associated with COVID-19 response and mitigation and will likely forgo revenues in multiple funds impacting fund balances and capacity. Included in the COVID-19 response and mitigation costs are the hours and pay for staff responsible for responding during this public health crisis along with costs for Personal Protective Equipment, technology and additional supplies and services. All costs associated with the pandemic are being tracked specifically to report to the state and federal government for potential reimbursements allowed under the emergency declarations and applicable statutes and codes.

To qualify for FEMA disaster funds, the City must enter into the included agreement with the State of Oregon who will act as the intermediary for funds distribution. FEMA reimbursements will cover 75% of applicable costs while the City remains responsible for the remaining 25%.

**The Challenge/Problem:**

Should the City work with the Federal Emergency Management Agency and the State of Oregon to recoup a portion of the costs incurred to address and combat the novel coronavirus (COVID-19)?

**Stakeholders:**

- City of Sweet Home citizens – The novel coronavirus has impacted every facet of life and Sweet Home’s citizens are not immune from its devastating toll on health and economic stability. Obtaining federal disaster funds to reimburse costs incurred by the City for the pandemic ensures that taxpayer dollars can continue to be spent on the same priorities and outcomes that citizens expected from their government prior to (and after) the pandemic and ensures stability in fees, taxes, and other revenue generating methods employed by the City to operate efficiently and effectively.
- City of Sweet Home City Council – The City Council authorized the City’s disaster declaration during a special Council meeting held on March 19, 2020. The City Council also passed several additional resolutions, proclamations and policies that would protect the community and employees from the effects of this virus. The City Council is also responsible for the adoption and oversight of the City’s annual budget which is currently being tapped to pay for the City’s response, limiting the ability for the City to operate as it normally would.
- City of Sweet Home staff – Staff has worked to minimize the costs associated with the City’s response to coronavirus to ensure continued fiscal stability in the long-term. With the continuation of mandated closures and the unknown timeline related to the virus, FEMA reimbursements would give staff and the City and reprieve from program reductions to balance the budget and ensure continued success.

**Issues and Financial Impacts:**

Approximately \$60,000 has been spent to-date on the COVID-19 response. These expenditures have come directly from the pre-existing expenditure authorizations adopted by the City Council and may have short-term and long-term effects on department operations and service offerings. Additional costs are likely throughout the summer and as we begin to reopen Oregon and the nation, which could result in an increase in cases. Finally, the economic toll related to COVID-19 is currently unknown. Congress has stepped up to provide stopgap measures to mitigate a financial meltdown, but much remains unknown when it comes to timelines, the virus and whether the globe will be right back in this crisis when fall and winter return.

**Elements of a Stable Solution:**

Enter into this agreement with OEM to allow the City to obtain reimbursement from the federal government of up to 75% of expenditures associated with responding to coronavirus.

**Options:**

1. Do Nothing – Department budgets will be reviewed regularly, and expenditures frozen to mitigate overspending adopted authority. Service reductions and/or other reductions in spending may be necessary in exchange for purchasing PPE and compensating staff for response related to the virus.
2. Move to authorize City staff to enter into agreement with OEM for FEMA and other federal funding opportunities – This option allows the City to apply for FEMA reimbursements which would offset expenses incurred by the City for COVID-19

response and mitigation thereby extending the health of the City's financial outlook amid the uncertainty in future resources.

3. Request that staff find other financial opportunities to net COVID-19 costs – The Council could direct staff to pursue other options outside of this agreement with FEMA thereby forgoing the disaster funds available.

**Recommendation:**

Staff recommends option 2, move to authorize City staff to enter into agreement with OEM for FEMA and other federal funding opportunities. Disaster funds exist to give those who have gone through a terrible ordeal a chance at recovery without additional hassles interfering. This application will ensure that the City, under applicable laws and orders, will have the ability to seek reimbursement on a portion of the costs incurred during the novel coronavirus pandemic. These funds will aid in keeping department budgets whole so they can focus on new, innovate ways to provide customers with the same exception we've delivered since 1893.