

CARES Act Local Government Assistance

Comments regarding Draft Budget 5/12/2020

City of Needville – Mayor Andrew Bohac

Below are comments from Needville and other small cities in Precinct 1.

1. To restore our Sales Tax revenue and restore jobs in our community as quick as possible, we should utilize a Small Business Grant program to provide additional assistance to our core business community. Those that have survived the last 2 months are now facing additional cost to retool their business model to fit new requirements of health, safety and customer satisfaction.
2. Provide support for our Senior Citizen programs to provide daily contact with our most vulnerable citizens thru the delivery of meals or other means of contact. The loss of human contact in our Senior Centers is very difficult for most.
3. Provide PPE and Disinfectant supplies to cities and other governmental organizations to help with reopening facilities and meet new requirements for health and safety of our citizens.

The above are in priority order. However they do not speak to an important issue. Whatever we do, we must do it quickly. The need is out there and the money is in the bank. Give some money to the cities and we can start the process like items 2 & 3 above while a county wide Small Business Grant program is developed and implemented. My discussions with Mayors, Chamber of Commerce, Business and local Citizens are clear. There is a lot of need and the financial support from the Cares Act must start now! Small Business Grant program should be simple and easy to manage. I understand the need for this to be county wide, but the cities and Chamber of Commerce may be able to help with the administration in their area. They know the businesses better than most and can provide direct contact to facilitate the quick completion of the program. Some thoughts on what could be requested in an application;

- Type and description of Business
- Number of employees
- SBA and other COVID-19 grants applied for and received
- What expenses can you offset with this grant with a checklist of approved Cares Act expenses

As small communities we do not have a lot of COVID-19 directly related expenses like the larger cities and the county have incurred and we greatly appreciate the leadership the county has provided. However, we do have a need and responsibility to help our citizens and I believe the best way to do this within the confines of the Cares Act is above.

Regards,

City of Rosenberg – John Maresh, City Manager

I would like to provide the following comments as a member of the LGA Team. The comments are based solely on my opinion, as the City Council has not been afforded the opportunity to discuss this as a group due to the short timeframe.

1. The budget should reflect set allocations for cities based on the \$55 per capita number being used by TDEM for cities in counties with under 500,000 population. The County should follow the spirit and intent of the program based on the \$55 per capita dollar amount. Cities should be provided with a specific deadline to expend, or commitment to expend the funds by the December 31 deadline to minimize the risk of any funds being left unused. I would suggest a deadline date of October 1, 2020. After this date, unused or uncommitted funds should go back to the county for use for other authorized expenditures under the CARES ACT funds. Funding based on the \$55 per capita should be allocated to cities for all eligible expenditures under the Act to fund efforts such as; payroll expenses, grants programs to assist small businesses, prepare and

implement plans to improve and expand abilities to work remotely, modify facilities to accommodate social distancing and limit exposure, build PPE stocks, properly disinfect and sanitize facilities and revenue losses.

2. The City of Rosenberg has also taken the lead to provide financial assistance to small businesses to help cover building rent or mortgage payments. As Rosenberg has taken the lead, Rosenberg and other cities should be able to utilize a portion of the overall funding allocation for the small business assistance line item based on the draft budget to cover the cost of the city's program, or be able to use a portion of the funds allocated to the city based on the full \$55 per capita allocation.
3. The County should maximize the use of FEMA Public Assistance and any other funding mechanism to leverage as many possible federal dollars as possible. The County has a very good track record with reimbursement programs from previous disasters and I applaud Mr. Sturdivant for his verbal commitment to pursue all funding avenues available which in turn will free up more of the CARES ACT funds for more eligible expenditures. At some point early on in the process, the budget should include other potential funding sources to provide a better picture of the overall funding that could be secured from other programs such as FEMA-PA. These additional funding sources should be factored in as part of the initial allocation process of the CARES ACT funds.
4. While the budget process has to start somewhere in order to address the relief and funding needs, the draft budget line items do not provide enough detail, or clarity, of the full intent and projected uses that would be eligible for each line item. The lack of detail makes it very difficult to be able to fully comment on the budget at this time.
5. The dollar amount included in the draft budget for utility payment assistance appears to be low. The city has received numerous calls from residents that are now unemployed and having difficulty being able to pay city bills for water, sewer and garbage bills which are essential for living in a sanitary environment. I would ask the budget amount for utility bill assistance be reviewed and increased. The second part of this issue is the revenue loss that most cities and/or special districts will suffer from if residents are unable to pay their water bills. Additional funding for this purpose would have a two-fold positive impact for the County.
6. Lastly, there needs to be a clear and concise understanding of the process and procedures that will be used to access the funds from the county. The process should be simple, straightforward and allow for reimbursements without minimal delay for processing. Stakeholders should be allowed an opportunity to comment and provide input on the process as it is developed.

Katy ISD – Ted Vierling, Assistant Superintendent of Operations

For Katy ISD... In looking at these numbers (in proposed budget), it appears that the County on the whole, is taking the biggest chunk of money- which I guess, is to be expected. However, I am concerned that the money that is left to divide up between county entities will be very small- once everyone gets a piece of the pie.

In addition to my reply above, I would like to share a couple more thoughts on the funding.

- I agree with multiple speakers that PPE is going to be the key to re-starting things. Without PPE, people won't be able to go out, but more importantly for educators and kids- without PPE we won't be able to hold schools, clean facilities, and continue to feed kids.
- As Bryan stated in our meeting, no other government entity has been able to mobilize meals for kids like the school districts. In Katy, we are serving about 100,000 student meals each week. Although that includes portions of Harris County, we have feeding sites in FBC as well. I'm sure the numbers for FBISD and LCISD are staggering as well. In addition, if schools don't start back "normally" in August, we will still be obligated to feed needy students. My understanding is that Commissioner of Education has stated that kids will not be "forced" to come back to school in person. In order to feed them, this will require additional hours, flexible feeding sites, and most likely, additional staff.

- Finally- I fully understand the need to help small business. However, I think Lynne Humphries said it, how could we ever arrive at a correct number in terms of need? Without millions of dollars more, I think a contribution to small business would simply be a drop in the bucket- and would not be sufficient to truly save a business. If we really want to get people back on the job and back in stores, kids being in schools will help tremendously.

City of Sugar Land – Jennifer May, Assistant City Manager

All of us on the Advisory Team – and each of the cities represented – have unique needs as we serve and support residents and businesses. For instance, while Sugar Land’s business community may be more concerned about PPE needs, a smaller city’s business community may be more concerned about payroll expenses. With that, we believe it is important for all Fort Bend County cities to receive – at a minimum– the funding that would otherwise be available to us if our cities were located within Brazoria or Galveston County (see correspondence below from Speaker Bonnen to the Fort Bend County Texas House of Representatives delegation encouraging the County to consider a per capita allocation higher than \$55).

Maximizing the local distribution of funding directly to cities would put each of us in the best position to respond to such unique needs in a way that is most beneficial to our residents and businesses – and it will ensure a more equitable distribution of the benefit of the CARES funding across Fort Bend County.

As such, our initial comment regarding the budget is two-fold: (1) thank you for the line-item recognition of the immediate 20% per capita allocation to cities and (2) respectfully requesting that the remaining 80% per capita allocation also be identified specifically in a line item. If the County would prefer to not immediately transfer the remaining 80% allocation to cities, we recommend that – consistent with how the State is approaching funding for cities in counties not receiving a direct allocation – this funding be specifically reserved for cities’ expenses as future outbreaks and the long-term impacts of COVID-19 are better known. We would also be happy to work with TDEM to explore the option of Fort Bend County sending funding for cities back to TDEM to be administered to us through TDEM to remove the administrative burden and responsibility from Fort Bend County.

Correspondence from Speaker Dennis Bonnen, House of Representatives District 25:

Fort Bend County delegation members --

There were several questions on today's call with the Governor regarding the allocation of funds for smaller cities within larger counties which received a direct allocation from the U.S. Treasury.

Attached is a PDF my office put together based on estimates and available data which puts into perspective the amounts going to the Big 12 counties and six cities, and then what the smaller cities in that county could potentially receive in funds from the county.

Of note, these other cities would be far better served if they were to receive even a 50/50 split of the \$174.49 per capita which the large county was allocated, as opposed to the lesser amount of \$55 which the state would be able to provide. These large counties did in fact utilize the populations of these smaller cities in order to receive their federal funding allocation.

Additionally, below is a copy of the press release on this topic which includes a link to the letter to cities and counties.

Governor Abbott, Lt. Governor Patrick, Speaker Bonnen, Senate Finance, House Appropriations Committee Chairs Announce Federal Funding For Local Jurisdictions

AUSTIN - Governor Greg Abbott, Lieutenant Governor Dan Patrick, House Speaker Dennis Bonnen, Senate Finance Committee Chair Jane Nelson, Vice Chair Juan "Chuy" Hinojosa, and House Appropriations Committee Chair Giovanni Capriglione and Vice Chair Oscar Longoria today sent a letter to city and county leaders announcing \$5.06 billion in funding available to local governments in Texas through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Of this \$5.06 billion, the U.S. Department of Treasury has directly sent over \$3.2 billion to the 6 cities and 12 counties in Texas with a population greater than 500,000. The remaining \$1.85 billion will be available to other cities and counties throughout the state. Funding will go towards reimbursement of direct expenses incurred by cities and counties due to COVID-19.

The 242 counties, and the cities within those counties, that did not receive direct allocations from the Treasury are eligible to apply to the state for a \$55 per capita allocation from the \$1.85 billion. Upon execution of a grant agreement, governments will be able to immediately draw down 20% to their allocation. After those jurisdictions provide documentation on the initial funding, they will then be able to access the remainder of their allocation on a reimbursement basis. The unallocated funds will be reserved for local expenses as future outbreaks and the long-term impacts of COVID-19 are better known. In the letter, the leaders encourage cities and counties to work together to address expenses that cross jurisdictional lines.

"All Texans expect government to work in a unified fashion to address this unprecedented situation, and we will continue to do so," reads the letter. "Thank you again for your work on behalf of your residents. These are tremendously difficult times for all Texans. Please know that the elected representatives in your state government are working continuously to protect the health and safety of this state, mitigate the economic ramifications of COVID-19, and build a path towards recovery."

The Texas Division of Emergency Management (TDEM) will administer the reimbursement process and will partner with Texas A&M AgriLife Extension to provide individual assistance to each city and county throughout the process. Information on how to apply for funding, as well as guidance about eligible uses, can be found at the following website: www.tdem.texas.gov/crf. Read the letter to city and county leaders in Texas.

See Attached Letter showing proposed allocation

City of Stafford – Patti Worfe, Executive Director Economic Dev Corporation

1. I was under the impression that this money was sent to the County as a “pass through” for the cities. That is obviously not the case in the current proposed draft budget as this essentially doing nothing EXCEPT for the County.
2. Not sure why the committee did a “ranking” on priorities as they seem to not have been taken into consideration at all

3. I don't understand how "rental assistance" can be budgeted \$15M and basically cities combined get a total of less than \$5M. I can tell you that at least in Stafford's case, if we aren't given reimbursement funding for our COVID related expenses, we won't have to worry about helping our residents with their rent because we won't have first responders after having to lay off staff. And the other one that makes no sense to me is the line item "Grants to local entities for eligible COVID-19 expenses" – no idea what this even is. Who is this designed to help?
4. I also don't understand the grants to local hospitals line item for \$15M. Most of our hospitals are private and have numerous alternative funding sources yet only \$5M is budgeted for the Small Business grants. Technology enhancements, which in our case is pretty significant and was ranked 8th on our list is nowhere on the list.

In a nutshell, I am completely confused by the draft budget as I feel it took nothing that the committee has done into consideration.

...if I can't ensure that the city is going to get every dime they are eligible for, the city is not going to be in a good position to help anyone else – especially our citizens. So things like rental reimbursement is a moot point!

City of Fulshear – Mayor Aaron Groff

Fulshear is ok with the overall ranking. However, we believe that it is essential for the remaining \$20M, intended for cities within the County, to be set aside and earmarked for the local jurisdictions. We appreciate that the initial \$4M (20%) has been allocated. The County received \$175.00/resident. Governor Abbott, Lt. Governor Patrick, and Speaker Bonnen have all alluded that the Spirit of the package was for the cities within the County to receive their allocation of the \$55/resident. I do believe if we, cities, cannot use our allotment it will go back to the County to cover associated jurisdictional expenses.

A couple of other budget questions/comments. How will we determine grants versus reimbursements (criteria and scoring)? Would also be nice to have footnotes for the county items such as Emergency mgt, needed renovations, administrative costs, etc.

Needville ISD – Ben Pape, Assistance Superintendent of Finance/Chief Financial Officer:

Estimate \$850K for NISD for expenses to facilitate distance learning, including technological improvements, in connections with school closing to enable compliance with COVID-19 precautions. COVID-19 is reshaping the K-12 education landscape. These circumstances pose challenges for schools with regards to how to plan and continue serving students both in the immediate-term and prepare for similar scenarios in the future. The crises continues to highlight the importance of making technology more accessible, especially those in rural communities, in order to provide the adequate instructional support and opportunities in distance learning.

Fort Bend County – Andy Meyers, Commissioner Precinct 3:

My arguments for more funding for small businesses are:

1. Government deliberately shut down much of the economy. The businesses that closed did not do so voluntarily. Government created the financial problem businesses and individual workers now face.
2. When businesses closed, their workers were laid off. However, most, if not all, former workers applied for and received unemployment benefits, which allows them to maintain their income for

a period of time, something that is not afforded to many small business owners or some self-employed. I question the need for rental & utility assistance for workers who are now receiving unemployment benefits. The self-employed who have lost their income as a result of the economic downturn and can't get unemployment benefits should get some financial relief, but it should be based on actual lost income, which has not been determined at this point and will likely be a lot less than the \$17 million projected by Commissioners 2 & 4.

3. Local governments have another source of federal funding for their costs associated with COVID-19 – the FEMA Public Assistance Program. This program has a 25% local match, but appears to provide a larger source of funds than does the CARES Program. This federal funding program is not available to small businesses or unemployed workers. Local governments are reluctant to apply for these funds because of the required 25% local match. They prefer the 100% federal funds. I believe local governments should devise a program where the great majority of their funds to recover COVID-19 costs would come from the FEMA Public Assistance Program and a much smaller portion come from the CARES Program so to leave more funds available for small businesses.
4. Helping small businesses restart and stay open by providing funds from the CARES Program to recover and continue to cover some costs associated with COVID-19 provides several benefits, in my opinion.
 - a. It would help restart the economy and put most of the unemployed back to work, negating the need for much of the unemployment benefits and rental/utility assistance.
 - b. It would generate the sales taxes lost to cities, when retail businesses closed, thereby allowing cities to recover naturally from the government-created economic downturn.
 - c. It will help cushion the blow from the likely economic downturn caused by the collapse of energy prices, which is having a detrimental impact on the energy and energy-services companies in the area, which negative impact affects most all other area businesses and workers.
 - d. It will help keep these small businesses from closing permanently, which would reduce property values, and, thereby, avoid a reduction in property tax revenue to counties, cities, school districts, etc. next year and in subsequent years.
 - e. It seems the fair and reasonable thing to do, given the fact that government created this crisis in the first place with its unnecessary shutdown of much economic activity, thereby, victimizing small businesses. The evidence was there that those vulnerable to COVID-19 are the 65+ and immune-compromised, the overwhelming majority of whom are not working. This vulnerable sector could have been quarantined and protected and the rest of the county could have continued working. A number of western countries and several US states did not “lockdown” and have survived as well as those countries and states that did “lockdown”.

Some of the expenses small businesses will face trying to deal with COVID-19 include modifying their restaurant and business space to provide some type of partitions between tables/booths and open area offices, changing buffet style service in restaurants to cafeteria style, providing additional personnel dedicated solely to keeping table/counter tops, doors, etc. disinfected and purchasing and handing out PPE to customers as well as providing PPE for all employees who come into contact with the public. Some type of overhead/rental support until the businesses get back on their feet fully. I'm assuming if the businesses can demonstrate that these expenses are COVID-19 related and necessary, they are reimbursable from the CARES Act funding.

Fort Bend County – Andy Meyers, Commissioner Precinct 3 Additional Comments:

I've taken the time to read the mind-numbing Covid-19 Funding Bill this weekend and have come away with the following conclusions.

1. Congress's clear intent comes through in the Bill it passed. That is to provide substantial financial assistance to small businesses and their employees, who have been adversely impacted by the shutdown of the economy by states, counties and cities, and provide limited financial assistance to state and local governments and their agencies. States and local governments shut down small businesses, but allowed larger businesses, such as WalMart, Target, most all food stores and drug stores to remain open, even though many small businesses sold the same merchandise as those larger businesses allowed to remain open.
2. The Bill provides broad financial assistance to small businesses and their employees, but restricts financial assistance to local governments and their agencies by excluding the impact of lost local government revenue, by excluding any local government budgeted expenditures, even if the revenue to fund those expenditures is falling short of what's needed, and by including only those local government expenditures that are directly related to responding to COVID-19, such as additional personnel for contact tracing, and for answering an increase in phone calls to county/city health departments regarding COVID-19; for additional PPE for local government workers, particularly first responders and law enforcement, and all government employees who deal direct with the public, and for costs associated with sterilizing and disinfecting government facilities.
3. I've seen explanations that qualifying expenditures would include expenditures for law enforcement and health personnel, but that conflicts with the Bill's provision of excluding budgeted expenditures, and the Bill does not spell out specifically that such law enforcement/health personnel expenditures would qualify. If we stick with the strict wording in the Bill, it appears the cities will have expenditures associated with PPE for city personnel, costs associated with disinfecting and sterilizing city facilities and costs responding directly to COVID-10 impact, but little in the way of personnel salaries/benefits generally.
4. It makes more sense for the county to hand out PPE to the general populous, rather than allow the various cities to do so, in order to avoid duplication. Same with any rental/utility costs assistance to residents.
5. According to the Bill, rental/utilities assistance to residents must be related to loss of employment/income directly attributable to the shutdown of the economy by states and local governments. People had to lose their job/income because the state or the local government forced their employer or their business to close, in order to qualify for the financial assistance. Also, it appears that, if the individual received unemployment equal to or greater than their wage/salary they will not be able to "double dip" and get rental/utilities assistance also. Likewise businesses that received PPP funding to continue to pay their employees cannot claim financial assistance for personnel costs, to the extent of their PPP funding.
6. The state has hired 2,000 "contact tracers" and will increase that number to 4,000, which equates to about 100 covering FBC. A vaccine is not expected for another 12-18 months, so we will have no need for medical personnel for vaccinating residents between now and December 31, 2020 when the federal funding ends. Vaccinations for COVID-19 will likely be given by doctors' offices and the various drug stores, like flu shots are now given.
7. Based on data from the state, COVID-19 ICU Cases in FBC totaled 44 in mid April, about 1 month ago and today there are 5 Cases, a dramatic decrease in about 5 weeks. Total hospitalizations from COVID-19 for FBC shows a similar decline. This is a trend throughout Texas, although not a dramatic as FBC, which appears to be doing a better job than most other Texas counties. For example, Harris County's COVID-19 ICU cases have dropped from about 235 in early-mid April to about 177 today. COVID-19 appears to be acting like the seasonal flu, with a lot of cases and deaths in winter/spring, and both falling in summer. COVID-19 is deadly for a particular group,

the aged and immune-compromised. We need a program to protect our vulnerable and allow everyone else to go about their business and get back to work.

8. We also need to make voters comfortable going to the polls in November, by adding more voting locations so to enable spreading out the voting machines, adding additional voting personnel to hand out masks, possibly gloves, hand sanitizers, and keeping the area and equipment disinfected and sanitized. This will likely entail renting office/retail space, since we are having a difficult time finding “free” voting locations in the county.
9. As noted above, the Bill provides for broad financial assistance to businesses. So, the legislators intended to benefit small businesses more than local governments. Providing this broad financial assistance to small businesses has several benefits
 - a. It allows businesses to be pro-active by helping prevent the spread of COVID-19, by businesses retrofitting and sanitizing/disinfecting their facilities, primarily restaurants, to separate patrons/employees with dividers, etc., by providing extra employees to take every patrons’/employees’ temperature, and to hand out face masks and gloves and hand sanitizers, to keep the facilities disinfected/sanitized on an ongoing basis. This is in contrast to local governments’ reactive response of dealing with patients after they have contracted COVID-19. Better to avoid the disease than treat it.
 - b. It helps small businesses restart their operations, while providing funding to help make potential patrons comfortable patronizing the establishments during the pandemic, so to provide employment to those laid off as result of the closure of these businesses and to restart to flow of needed sales taxes to cities and assuring the businesses will remain in business so commercial property values don’t take a hit and counties/cities experience a drop in property tax revenue next year and future years.

Our proposed Budget for allocating the COVID-19 funds should reflect Congress’ intent and what is most beneficial to the overall community.

Small Businesses – Jeff Wiley, President/CEO Greater Fort Bend Economic Development Council:

First, on program dynamics:

The budget should reflect set asides for cities based on the \$55 per capita numbers TDEM is using to address cities in counties under 500,000 in population. Our cities should not be treated differently than cities under 500,000 that reside in counties under 500,000. That’s fair and in ways insulates the county later from potential finger pointing about allocations.

The cities should have until the end of 3Q to designate use of funds or the balance will be allocated back to the County to enable use for other purposes.

While there will be set asides for the cities, all programs developed for use of funds should be administered at the county. They should also be developed at the county with city input to ensure consistency of approach and provide a common documentation and qualification standard. We can’t have 19 different programs for 19 different cities established to accomplish the same thing (e.g. Business Grant program).

I believe we should also maximize FEMA assistance to ensure we gain the most use of federal funds. Based on the County’s positive track record with reimbursements, that makes good fiscal

sense. More qualified expenses reimbursed through FEMA means more available funds for other programs through Cares Act. We need to find sources to cover the 25% match requirements for eligible expenses.

Second, on the proposed budget presented:

I understand the budget was a sincere attempt to address relief and get started and you always have to start someplace. I would encourage the Court however to make use of the time and input the advisory group spent to assist the Court in defining budgetary programs and priorities. Those considerations should be used to guide Commissioner's Court on allocations.

The proposed budget does not show the potential items that could be FEMA eligible and therefor comes from different funding sources. Those decisions should be made first based on eligibility before we start the allocation process.

Third, on the weighting and allocation of business assistance in the budget and within the Committee:

As I have said, business was grossly underrepresented on the committee. Notwithstanding, because of the support of many Mayors, particularly small town mayors, it ranked in the middle of the priorities by the Committee. I believe it would have ranked much higher if all our chambers and economic development leaders had a vote and this should be taken into consideration.

There are two things at the heart of the economic injury and recovery, consumer confidence and business contraction. We have to put all efforts today and a majority of funding toward addressing these areas or the depth and duration of loss will be extended. As a result, any allocation not devoted to these two areas, essentially is one and done and will have no long term benefit or secondary impact to city budget deficits or property tax devaluations sure to come from extended economic damage.

On consumer confidence, we have to have two things done immediately. First we need a robust web site with accurate data and marketing to increase testing both COVID 19 and antibody testing. It also needs to project accurate data or have disclaimers that indicate COVID 19 contractions are based on regional testing not the testing numbers done only in FBC. We need to begin to explain to the public that a certain part of our population has built up some immunity response to the virus. That doesn't mean they can't get it again but it does mean they may be better prepared to cope with a secondary infection. Antibody testing will do that over time and will also encourage those that are asymptomatic or have little symptoms to get tested. In doing so we kill two birds with one stone. We increase numbers of population tested, better the ratio of contractions to tested and get a read on some level of potential immunity being built in the population, while also catching some portion of asymptomatic individuals. All of these efforts should be reimbursable through either FEMA or Cares. We have the capability of testing 1000 per day, let's use it for things that restore consumer confidence while still promoting social distancing and contact tracing.

On business grant programs, we need to recognize that these programs are at the heart of savings business, unemployment rebound and restoration of commerce that fuels city budgets and state budgets that fund everything else in the priority list. If you undercut business funding you undercut the gas that makes the engine go.

Finally, while I recognize that many political subdivisions have stepped up in this process to fill needed social service roles, I would only ask that they consider their own budgets and hardship before requesting assistance. Everyone is taking a haircut here and request for funding should be sought in that light.

Fort Bend County Faith Leaders:

The faith community of Fort Bend County calls on the Commissioners Court to provide legal, financial, and medical protections to keep families safe and in their homes during the pandemic.

COVID-19's effect on Fort Bend County, while far-reaching, has not been equal. We've already seen the virus exacerbate pre-existing disparities in the community's health and economy. We fear insufficient action will only increase suffering. When almost 14,000 renter households in Fort Bend pay over 50% of their income toward housing costs and so many have lost wages, we ask that the Court continue to take necessary actions to ensure that our communities worship faithfully, but also live with dignity, honor, and hope.

We recognize the County's tireless commitment to keeping its residents safe by providing PPE, disinfectant services, and offering multiple free testing sites. This has led to Fort Bend County leading Texas in per capita testing. We fear, however, this work can be undone if even a small percentage of residents are left unprotected. There are currently more than 200 families with eviction cases pending in Fort Bend County. With new cases of COVID-19 reported every day, are we prepared to evict families from their homes during an economic downturn caused by an ongoing pandemic?

To protect families in these times, we request the Commissioners Court to expand the budget for rental and utility assistance, PPE for residents, and extend the eviction moratorium.

1. Rental Assistance: \$5M is earmarked over 3 disbursement periods for a total of \$15M. We request that it be increased to a total of \$25M.
2. Utility Assistance: \$2M is earmarked until November. We request that it be increased to \$7M.
3. Eviction Moratorium: We request the eviction moratorium is extended until August 1st then longer if necessary.
4. PPE: We request that workers and families have equitable access to personal protective equipment.

We know this requires discussion and courageous budgetary decisions. With \$13M slated for contingencies which will soon be replenished with additional Federal appropriations, we believe allocating funds for the most vulnerable in our County is not only the right thing but the Godly thing to do. We pray for the good health of the Court, wisdom in their decisions, and that they

Oakbend Medical Center – Joe Freudenberger, CEO:

Our priorities relative to the distribution of the Cares Act Funds in Fort Bend County are as follows in order of importance:

1. Due to the Governor's order and the decisions of people in our community, our revenues are down over 50% from pre-COVID levels, while our costs in many areas have increased. We have furloughed staff as much as possible, but that does not mitigate the loss of revenue to the degree necessary. Our first priority would be to cover the expenditures of OakBend for the increased costs of the COVID-19 epidemic including:
 - a. Additional labor costs

- b. Tele-medicine
 - c. PPE and associated infection control expenditures
 - d. Isolation equipment
 - e. Drugs used for treatment of COVID-19 patients not covered by insurance
 - f. Equipment rentals such as ventilators, UV sterilization and negative pressure devices
 - g. Cost of maintaining providing PTO and health care benefits to furloughed public employees
 - h. Increased cost of unemployment insurance from furloughed employees
 - i. Telework expenditures
 - j. Secure
 - k. Costs of transferring patients to a single location for treatment
 - l. Secure technology to allow for patients and family to connect when visitors are precluded
2. Provide grant funding to allow us to bring back all furloughed employees
 3. Provide grant funding to support the continuing costs of the pandemic noted in priority number 1
 4. Provide grant funding to build up our capabilities to handle more activities remotely including:
 - a. Telemedicine
 - b. Tele-work
 - c. Securing texting/communications tools
 - d. Remote registration

**Fort Bend County Mayor & Council Association – Charles Jessup IV,
Meadows Place Mayor, FBCMCA Chairman:**

The Fort Bend County Mayors and Council Association (FBMCA) would like to thank you for your work in combating the corona virus in Fort Bend County and for creating the Fort Bend County CARES Act Advisory Committee. As you are aware, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed by the president on March 27, 2020. It was designed in part to provide federal funding for the local response to COVID-19. As the White House Office of Intergovernmental Affairs often says, the response to COVID-19 is federally funded, state led, and locally executed.

Texas received \$11.24 billion from the Coronavirus Relief Fund (CRF), which was split between the state of Texas and local governments in Texas with populations exceeding 500,000. The six largest cities in Texas received a direct allocation of this funding from the federal government. Additionally, on May 11, 2020, Governor Abbott, Lt. Governor Patrick, Speaker Bonnen, and members of the Senate Finance, House Appropriations committees made an announcement that certain local jurisdictions in Texas would be eligible to apply for a \$55 per capita allocation from the \$1.85 billion appropriated to Texas. Unfortunately, the funding opportunity only applies to local jurisdictions that are not located within the 6 cities and 12 counties in Texas with populations greater than 500,000. Because Fort Bend County's population is over 500,000, the county received an allocation of approximately \$134 million. While this allocation was based on a population figure that included all Fort Bend County cities, this also means that cities within Fort Bend County are not eligible for this state funding and are depending on the County to equitably appropriate CARES funding to them. The following are concerns that the FBMCA feels the Commissioners Court should take into consideration when making your final decisions in appropriating CARES funding.

Per Capita Appropriations

The FBMCA supports splitting CARES Act funding between the County and its cities on a 50/50 basis per capita or at the very least distributing funds in a similar way to the state at \$55 per capita. Per capita allocation of funds such as this would ensure that dollars are equitably beneficial to not just cities and the County, but to residents and businesses across Fort Bend County. Each individual city can tailor their allocation to meet the unique and individual needs of each of their communities. The County utilized the populations of its cities in order to receive their federal funding allocation; therefore, it is appropriate to further utilize population to distribute funds within the county.

Speaker of the House Dennis Bonnen shared the attached email and calculations which finds that Fort Bend cities would be far better served if they were to receive a 50/50 split of the \$174.49 per capita which Fort Bend County was allocated, as opposed to the \$55 which the state provides to other cities. A 50/50 split in Fort Bend County would come out to \$87.24 per capita.

FEMA Funding

Although the FEMA Disaster Relief Fund was designed to cover 75% of total expenses due to disasters, the fund has never been asked to respond to a nation-wide pandemic – and therefore may be much more limited in its ability to provide reimbursements for all aspects of this emergency. Additionally, reimbursements from the fund can take years while relief is needed immediately. Therefore, CARES Act funds should be used for what they are designed for, to provide direct and immediate relief to individuals, businesses, and states and local governments.

Future Federal Funding

Headlines have been made about the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act proposed by the United States House of Representatives, which would provide \$187.5 billion to all cities for emergency fiscal assistance. While welcomed, this piece of legislation is far from guaranteed and likely to receive significant opposition in the United States Senate – including from the Texas delegation; therefore, it cannot be relied on to make decisions that would provide less to Fort Bend County cities. Some congressional leaders have indicated that cities should file for bankruptcy as opposed to providing further federal aid. With this in mind, we must focus our efforts on the money that is currently appropriated and in the bank. Let's not forgo aid to Fort Bend County cities now on the promise of federal funding in the future; it is risky and would not provide adequate aid to our shared constituents.

Further, Cities that are working to respond to COVID-19 expect to incur further expenses associated with the safety and health of our Staff and our community. Future purchases of personal protective equipment, facility protections, equipment, and other COVID-19 related expenditures also fall under the bounds of the CARES Act. Cities will be relying upon the resources provided to Fort Bend County for reimbursement of those future expenses as well, and we request that Fort Bend County ensure that a portion of the CARES funding be available to Cities for reimbursement purposes through the end of this year, as future expenses are incurred.

Fort Bend County cities stand ready to aid in the eradication of COVID-19. With the necessary resources, we are confident that Fort Bend County will continue to be a vibrant destination location and a successful economic hub.

Fort Bend ISD – Bryan Guinn, Chief Financial Officer:

- 1) The funding allocated to reimbursements disproportionately favors the county relative to other governmental entities (\$7M for FBC vs. \$10M for all other entities). To date FBISD has expended roughly \$2.1M responding to the pandemic in the General Fund:
 - a. The largest expenditures are associated with hazard pay for employees (\$1.6M) who are working directly with the public or in close proximity to others.
 - b. Over \$0.5M has been expended on PPE, airtime and devices for online learning, and cleaning and sanitizing work.
 - c. We anticipate that other governments will have a similar scale of expenditures and the funds allocated seem to be inadequate.
- 2) There is a lack of detail on how funding will be used associated with health and human services testing, tracking, treatment, communications, and personnel (\$21.3M); Office of Emergency Management expenditures (\$3M); grants to local entities (\$20M); and reimbursements to local hospitals (\$15M).
- 3) Other governmental entities within the county will need to make renovations and undertake sanitization to reopen to the public. County allocated for its facilities, but no provision is made for other governmental entities.
- 4) We appreciate the comments and share the collective opinion on getting small businesses reopened to generate much needed revenue for local governments and the state. However, there were specific provisions made for small businesses in other areas of the CARES Act as well as the Payroll Protection Program. These need to be taken into consideration as funding is allocated to business entities.
- 5) I would like to reiterate based on the scale of operation that is being undertaken for feeding students by the school districts, the amount allocated (\$5M) seems low, particularly if it is to include non-school district feeding programs.
- 6) Although mental health ranks low on the overall list of priorities, these are not services typically covered by FEMA or other funding sources. We'd encourage further consideration by the commissioners on this area.

City of Richmond – Teri Vela, City Manager:

See attached resolution from City of Richmond City Council meeting on 5/18/2020.

CARES Act Local Government Assistance Advisory Comments from May 14, 2020 Meeting:

- **Andy Bohac** explains that the small cities are mostly concerned about future revenue and supporting small business so that sales tax may be collected, and the sales tax revenue can be protected in the future. He also mentioned that another focus is helping to support the senior citizens.
- **Robert Bostick** mentioned that he attempted to submit his data on the form, but it will not allow him to insert his information. His concerns are for the school district about making sure to continue to put PPE and disinfecting cleaning for teachers and students as the campuses began to reopen. The second piece they are interested in is having PPE and a strike force put in place.

- **Eugene Campbell** mentioned that there was frustration from the leadership team and some elected officials about the inability to review the items and comment before the timeline. Eugene Campbell inquired about the chart that will possibly be released. In order for the council to have feedback on it, he would like to know when the chart regarding the \$134 M will be released.
- **Ed** welcomed the group to share the Draft Budget with the council, but he speculated that the Commissioner would reinforce that this is not an executed budget but a proposal from two members of court.
- **Joe Freudenberger** stated that their main focus is that PPE will become more of a priority going forward. He gave examples with the rising cases in nursing homes as well as for staff in the hospital setting.
- **Aaron Groff** stated priority wise, as a city, they are good and approve of the budget. Their concerns are meeting the needs that the jurisdiction have. He requested for more clarification and detailing in regard to the grant reimbursements.
- **Bryan Guinn** mentioned that their organizations are currently operating at scale and providing direct services to the community, such as meals and mental health services. In the absence of being able to plug revenue holes, one of the ways they have been combating revenue short falls is with fund balance. With the services that they are currently providing with the food distribution program, Bryan states how he is concerned that the dollar amount in the proposal seems inadequate to cover the scale and scope of what they are currently providing, along with the other districts. He also suggests that being able to offset some of these expenditures, in a timely fashion, is going to be critical to help aid everyone in the future.
- **Nick Haby** mentioned that they are interested in understanding the parameters for payroll expenses and who falls under those reimbursements. From an accountability standpoint, he would like to know who is going to determine eligibility.
- **Byron Hebert** mentioned that the \$55/capita needs to be set aside to reimburse the city's expenses that they are having.
- **Lynn Humphries** expressed curiosity in knowing how many political subdivisions are included within the budget. She voiced how she would like the budget to include more clarification regarding the local entities and how they are proposing to define small businesses. She suggested that everyone would be better off if funds are devoted to reopening small businesses and requested for more detail to be provided.
- **Ed** commented that the grants to local entities for eligible COVID-19 mitigation activities are for all local governments and public entities in Fort Bend County.
- **Laken Jenkins** stated that her concerns align with Lynn Humphries.
- **Jill Ludwig** mentioned that she would like to echo Bryan's comments that \$10M is going to be inadequate for all the political subdivisions in the area. They are expending a lot of funds and expect ongoing cost in regard to meal distribution, cleaning supplies, and support for remote learning.
- **John Maresh** suggested including more detail to the budget to have a better understanding of what it really means.
- **Jennifer May** states that her comments are aligned with Fulshear, Katy, and Rosenberg regarding setting aside \$55/capita and the difficulty of providing feedback on the larger line items without more detail.
- **Afreen Merchant** expanded on Robert Bostick's comments stating they would like to make sure there is enough funding for PPE equipment, cleaning supplies, and back office expenses when it comes to schools and organizations. She also agreed that reopening small businesses will help the economy.
- **Rich Muller** suggested that everyone provide their direct Covid-19 expenses, to date, to compile the overall ratio, which may assist in giving a better understanding on how the reimbursement should be allocated. He also inquired about the expediency of distributing funds once the budget has been adopted.

- **Ed Sturdivant** commented that once the budget has been adopted funds will be distributed immediately, though the date is not yet defined. From the development of procedures to the distributions of funds, it will be an effort that requires input, coordination, and cooperation from everyone.
- **John Peeler** states that his concerns align with Lynn Humphries and the others representing special districts regarding factoring in the final budget numbers.
- **Mike Rockwood** stated that the information shared by Jill echo's the opinion of Lamar CISD and that of Katy and Fort Bend ISD.
- **David Sincere** advocated for rental assistance for the citizens of Fort Bend County.
- Terri Vela mentioned to please consider the \$55/capita for cities. She also expressed concern regarding the future revenue and better detail provided in the budget.
- **Jennifer Ward** supported to relook at the \$55/capita. She expressed concern that as a more rural city in the county, the sales tax dependency will be detrimental.
- **Jeff Wiley** mentioned that he understands that this is the first draft of the budget. He requested clarification based on concerns regarding the 25% match from local jurisdictions and is concerned on how it will be accommodated. He also mentioned that Idle loans are behind and feels that cashflow is important for small businesses. He hopes items in the budget that qualifies for FEMA are diverted to other funding sources. This would increase it significantly based on how to allocate priority and spending. Jeff requested explanation of allocation of funding on behalf of the cities for the funds received.
- **Patti Worfe** comments on how her concerns align with the other cities as well as Jeff Wiley regarding payroll reimbursement and assisting small businesses, as Stafford does not have property taxes and sales tax is their primary funding source.
- **Vincent Morales Jr.** expressed that he hears and understands everyone's concerns. He stressed that it is important to reopen the businesses and wants the group to consider that they will need PPE and equipment that is related to Covid-19 so that their customers and employees will be protected. Vincent states that this will help aid in reopening businesses and he explains that request must be detailed and related to the guidelines of the Cares Act due to fact that after funds have been dispersed the County will then take accountability if/when audited. He requested that the group submits what will be important specifically to their cities and organizations and to send any questions or concerns to Ed Sturdivant so that they may be reviewed and addressed.
- **Ed** concurred with the responsibility of the county for documenting compliance for all use of funds under the local government assistance Cares Act. He also gave more explanation in regard to Jeff Wiley's comments concerning other sources of funds, noting that no. 4 FEMA Public Assistant (Exhibit A) is not 100% funds. He explains that each jurisdiction is going to have to make a valued judgement on how or if they can bare the 25% that would give additional capacity for use under the local government assistance.
- **Jennifer May** inquired if it would make sense to have a conversation with TDEM regarding their potential willingness to accept the per capita funding back and administer the funding to us and relieve Fort Bend County of that responsibility.
- **Ed** replied that it is worth asking however the allocation came from the Department of Treasury, and not TDEM, so the request would be directed to the federal government. He then gave a small review and requested the group to present their input and concerns inclusive of any detail to him.
- **Jeff Wiley** reiterated that PPE and disinfected items are important for business and hospitals and inquired if the county can source and procure supplies that could be affectively distributed as part of this process.
- **Ed** replied that the county is currently affording this. They have receive preliminary feedback that they can distribute the materials received through the Star Program and will have to document the distribution and purpose used by the beneficiary. However, Ed states they have not yet received direct confirmation from the TDEM team and consultant if PPE can be directly purchased for the businesses.
- **Question from Chat** – Is there a deadline to begin fund distribution?

- **Ed** responded that it is a self-imposed deadline. Since they have had the funds for a couple of weeks, the funds have not been touched. He mentions that any funds that have been provided were from the county's general funds. Until an adopted budget is agreed upon, the funds will not be allocated to any local government.