



Fighting Fires, Saving Lives, and Promoting Safety.

Shad Ahmed
Deputy Director, Emergency Management

MEMORANDUM

TO: Eileen M. Donoghue, City Manager *EMD*

FROM: Shad Ahmed, Deputy Director, Office of Emergency Management

DATE: February 9, 2021

SUBJECT: **COUNCIL MOTION OF 12/22/2020 BY COUNCILOR NUON**
REQ. CITY MGR. PROVIDE CITY COUNCIL WITH AN UPDATED REPORT
REGARDING AMOUNT OF FUNDS THE CITY HAS RECEIVED FROM THE
CARES ACT; HOW MUCH HAS BEEN SPENT TO DATE; AND WHAT IT
HAS BEEN SPENT ON

The City of Lowell is engaged in continuous preparedness, mitigation, response, and recovery efforts for the COVID-19 pandemic/federally-declared disaster (FEMA-DR-4496-MA). To aid in the recovery effort, the City has received allocations from various funding sources, the most significant of which is the Coronavirus Relief Fund-Municipal Program (CRF-MP) from the CARES Act. Our allocation is \$9,845,688.00. The program is explicit with its allowable uses, primarily intended to support expanding remote work capabilities, emergency operations, and public health response capacities.

The CRF-MP program is administered by the United States Department of the Treasury and is provided to the Commonwealth of Massachusetts, the City of Boston, and Plymouth County as the primary applicants within the state, who then administer the program to localities. These applicants can provide allocations to the localities with additional restrictions based on either their interpretations of the limited federal guidance or their desires to further restrict the eligibility of the funding. In this case, the Commonwealth of Massachusetts, Department of Administration and Finance (ANF) has both narrowly interpreted this guidance and placed additional restrictions on eligibility. Despite this, the City has found relevant and impactful uses for the CRF-MP allocation, detailed below.

For background, the City will also be applying for, among other programs, FEMA Public Assistance (PA) and Health and Human Services funding to support emergency operations and public health activities. FEMA PA assistance does not have a “ceiling” amount, but rather, is based on the actual costs incurred by the City for certain narrow-scope activities that generally fall within FEMA’s definition of “Emergency Protective Measures.” These are activities that are

generally limited to Police, Fire, and certain limited Health operations. Traditionally, FEMA PA only covers 75% of these expenses, with the remaining 25% generally becoming the City's responsibility. Initially, the City was slated to utilize a part of the CRF-MP program to cover the 25% non-federal share of FEMA PA-eligible expenses. However, the new administration has issued an Executive Order on January 21, 2021, extending FEMA PA reimbursements to 100% of eligible costs. We are still awaiting final FEMA guidance in this area for applicability information.

To date, the City has expended (paid out) \$4,023,208.93 in combined expenses related to COVID-19. The City has further encumbered additional expenses expected to be paid out in the coming weeks as invoices are processed. The total expended and encumbered is \$10,967,778.77. Beyond this, the City has planned expenditures of an additional \$433,325.78. This yields a total of \$10,919,964.36. Of those expenses, approximately \$2.5M is currently expected to be applied for reimbursement through FEMA PA. An additional \$300,000 is coming from allocated HHS funding.

In light of new federal guidance, the City is in the process of reviewing pending expenditures to determine which ones could be put on hold in the near future. This will allow the City to continue to spend the remaining CARES Act funding on limited high-priority items, such as public health operations to support vaccination and police and fire operational expenses. The City anticipates fully utilizing this allocation by calendar year's end, and likely before. We look forward to Congress allocating additional funding this calendar year to support ongoing critical response activities.

The City has made use of this funding in several critical ways. The City has supported, public health activities such as testing (approximately \$750,000), tracing (approximately \$300,000), and related supplies and services such as generators and police details (approximately \$150,000). Additionally, the City has purchased technology platforms and services such as Microsoft 365, videoconferencing solutions, laptops, scanners/printers, webcams, and other hardware and software to enable City employees to work remotely (approximately \$5.9M). This funding is also supporting the operation of critical government functions as we incur expenses related to the pandemic. Such expenses include police and fire overtime when personnel are impacted by COVID-19 cases, contacts, or exposures (approximately \$260,000 to date). Approximately \$200,000 was also spent on supporting COVID-19 related costs incurred by the HCID Garage project. Approximately \$400,000 supported HVAC repair and services for the Schools Department. An additional \$420,000 was spent on unemployment expenses incurred by the City over and above what normally would be anticipated. The remainder was spent on other eligible expenses, such as Emergency Operations Center systems, cleaning and disinfecting supplies and facilities, personal protective equipment, COVID-19 related costs for the elections, etc.

Please do not hesitate to advise if there are any other additional questions.

CC: Conor Baldwin, Chief Financial Officer