COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: John Voss

SUBJECT FOR DISCUSSION
Proposal for the City of Fort Collins to be the Fiscal Agent for the Northeast All Hazards Region (NEAHR)

EXECUTIVE SUMMARY
Representatives from GOHS and NEAHR as will Mike Gavin will be in attendance at the CFC meeting to answer questions.

The City of Fort Collins has been given the opportunity to be the Fiscal Agent for the Northeast All Hazards Region (NEAHR). In this capacity, the City will manage and administer the financing of grant awards and the purchasing of materials associated with those grants, as applicable. The award process itself occurs annually. The Fiscal Agent becomes involved after the awards are granted and the ensuing contract is signed between NEAHR and the grantee. The fiscal agent is then notified of the contract details including the amount of the grant and materials to be purchased as part of the grant.

The Fiscal Agent is then responsible for purchase and delivery of the materials, as well as the disbursement of direct grant proceeds. In essence, the Fiscal Agency fronts the award monies and then requests reimbursement for those expenses from the Governor's Office of Homeland Security (GOHS). The Fiscal Agent also contracts with the Regional Coordinator and the Analyst/Planner to provide their predetermined equivalent of salary, benefits and reasonable expenses like cell phone charges, office supplies, etc. These expenses are also reimbursed from GOHS.

In essence, all expenses directly incurred by the Fiscal Agent are reimbursed upon request by GOHS. As compensation for the work involved with these processes, 5% of the grant has been allocated for management and administration to the City of Fort Collins if it should become the Fiscal Agent. A typical year would have $1.2 to $1.6 million in grant awards to be managed by the Fiscal Agent.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED
1. Although 5% of the grant monies can be used to cover management and administration, the new work will take staff time away from other City business. After the program is up and running, management may recommend hiring a part time employee to support this function. Does the Council Finance Committee have concerns about this?

2. Does the Council Finance Committee approve of making reimbursements to the sub-grantees with City monies before receiving reimbursement from the GOHS? Staff will recommend a

dollar threshold in which the City will wait for GOHS reimbursement before making payments to sub-grantees.

3. What level of oversight and/or reporting to the Council Finance Committee is appropriate?

4. Does the Council Finance Committee approve of the City becoming the Fiscal Agent for NEAHR?

BACKGROUND/DISCUSSION

Ramifications associated with the 9/11 terrorist attacks caused significant change and focus to percolate throughout public, private and governmental sectors. An incremental awareness began to emerge as to the overall and pervasive level of unpreparedness, which existed throughout the United States. This emerging awareness became known as and referred to as Homeland Security. Ultimately, the U. S. Department of Homeland Security (DHS) emerged as the centralized coordinating agency for Federal Homeland Security efforts.

DHS became the distribution and monitoring agency for funds directed to address Homeland Security needs. They began our Homeland Security Grant Program (HSPG) shortly after the events of September 11. The program has evolved significantly over the past ten years to become more user friendly for stakeholders at all levels. As currently configured, the HSPG is a Federal Grant to the States and Territories. The States and Territories then pass the funds down to Regions for distribution to local agencies. In Colorado, there were 9 Regions, which were designated by the State.

We are located within the Northeast All Hazards Region (NEAHR). The Counties within our Region include; Larimer, Weld, Morgan, Logan, Sedgwick, Phillips, Yuma, Washington, Kit Carson, Cheyenne and Lincoln. Our region presents rather extreme topographical differences. The region covers some 22,444 square miles with elevations ranging between 3,000 and 13,560 feet. The ambient elevation generally increases as viewed from east to west. The majority of the land mass within the region is devoted to agriculture, as illustrated by an estimated 17,243 square miles devoted solely to farmland. Some of the major rivers in the region include the Arickaree River, Big Sandy Creek, South Platte River, Big Thompson River, Saint Vrain, Cache la Poudre River, and the South Fork of the Republican River. Major roadways include, but are not limited to; Interstate 25, Interstate 70, Interstate 76, State Highway 85, State Highway 287, State Highway 34 and State Highway 14. A number of other vital multi-modal transportation corridors exist throughout the diverse region.

Each Region is guided by an All Hazards Steering Committee. The committee is comprised of representation from relevant disciplines identified within the National Response Framework (NRF), formerly known as the National Response Plan (NRP). These disciplines are identified as Emergency Support Functions (ESF's). Contained within the ESF's are first responders, such as law enforcement, fire, emergency medical, various elements within public works, hospital, emergency management and elected officials. Each steering committee is awarded a coordinator to in effect serve as their COO, and in our case, we have also been awarded an Analyst/Planner.

The Federal to State HSPG is a pass through grant, which requires each Region to secure a fiscal agent. The fiscal agent's duties are pretty straight forward. Fiscal agents use generally accepted accounting and recordkeeping processes required to facilitate the purchase and payment of grant awarded projects. They then submit the necessary documentation to the State for reimbursement. The State processes the claim and electronically transfers the money for payment back to the fiscal agent. The fiscal agent is awarded 5% of the grant award for Management and Administrative costs occurred in this process. These M&A funds can also be used to pay for peripheral grant delivery support.

ATTACHMENTS

1. Grant cycle business process