



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 4/28/2020

Item Creation Date: 4/9/2020

HAS - Creation of "HAS Entitlement - No Match" Fund

Agenda Item#: 25.

Summary:

ORDINANCE creating "HAS Entitlement - No Match" for the Houston Airport System with a zero beginning net position; establishing the sources and uses of the funds therein

Background:

RECOMMENDATION:

Enact an ordinance creating the "HAS Entitlement – No Match" Fund and establishing the sources and uses of the grant proceeds deposited therein.

SPECIFIC EXPLANATION:

The Houston Airport System (HAS) is requesting approval for the creation of a new SAP fund to be named "HAS Entitlement – No Match" ("Fund"). The Fund will be used to administer transparently the fiscal matters related to HAS's use of the proceeds from an entitlement grant we will receive from the FAA and those from any other similar grants that might be awarded to HAS. Unencumbered appropriations for this SAP budget type-2 fund shall roll forward in the SAP year-end system closings. The fund will begin with a zero-dollar net position – but if seed money is transferred in, it shall be returned to its fund(s) of origin in less than twelve months unless there are any other specific, governing rules for reimbursement. This subfund of the HAS Revenue Fund could also be used for transparency of any additional federal, state, or local, no-local-match-required grants awarded.

Grantor's Restrictions:

These funds are available to HAS for any airport purpose for which airport revenues may lawfully be used, except for certain federal limitations, including: 1) these entitlement grant proceeds may not cover operating expenses incurred prior to January 20, 2020, and 2) the airport sponsor must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020. (See FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330)). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the grantor makes it clear that these funds may not be used for any purpose not related to the airports.

There is no deadline to obligate these 100% Federal share grants. The grants have no local match required.

City Council approval of creation of the HAS Entitlement – No Match Fund is recommended.

Fiscal Note: No fiscal note is required on grant items.

Director's Signature:

DocuSigned by:

Mario Diaz

Mario C. Diaz
Houston Airport System

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ATTACHMENTS:

Description	Type
DRAFT Ordinance	Backup Material