



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/19/2017

Item Creation Date: 9/8/2017

HAS - HAS Disaster Recovery O&M Fund

Agenda Item#: 56.

Background:

RECOMMENDATION:

Enact an ordinance approving the creation of "HAS Disaster Recovery O&M Fund" ("the Fund") for the Houston Airport System ("HAS") with zero beginning fund balance, for the purpose of disaster relief and recovery; establishing the sources and uses of the funds therein for the airport operation, maintenance and support of disaster relief and recovery; appropriating the sums of up to \$5,000,000.00 out of the HAS Airports Improvement Fund and authorizing the transfer of those sums, as needed, to the Fund for eligible airport operating and non-capital maintenance expenses associated with hurricane Harvey disaster relief and recovery by HAS; authorizing the appropriation of any and all funds received into the Fund and approving the expenditures therefrom for the purposes set out herein; declaring the city's intent to seek reimbursement from the federal emergency management agency (FEMA) and other eligible sources for such expenditures.

SPECIFIC EXPLANATION:

The Houston Airport System (HAS) requests that City Council authorize the creation of the HAS Disaster Recovery O&M Fund (Fund 8044). HAS proposes to use this fund to collect operating and non-capital maintenance expenses associated with weather-related disasters, which are expected to be fully or partially reimbursed from insurance proceeds, or by the Federal Emergency Management Agency (FEMA) via the Texas Department of Emergency Management (TDEM).

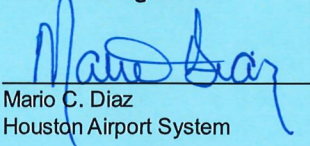
The HAS Disaster Recovery O&M Fund would be used to fund and account for expenses such as storm preparation activities, emergency repairs, debris removal, and minor repairs resulting from the weather event. Airport revenue bond covenants and Federal Aviation Administration (FAA) regulations require that Airport revenue and expenses not be commingled in the same fund used for other City disaster expenses.

HAS also requests that the City Council authorize an appropriation for transfers as needed, at the Airport Director's discretion, from the Airports Improvement Fund (Fund 8011) to the HAS Disaster Recovery O&M Fund, up to \$5,000,000.00. This money will be used for eligible airport operating and non-capital maintenance expenses associated with Hurricane Harvey, and are expected to be fully or partially reimbursed by insurance proceeds or by FEMA. Unused and reimbursed transfers and earned interest will be returned to the Airports Improvement Fund.

Fiscal Note:

There is no impact to the FY18 Adopted Operating Budget for this item. Once created, The HAS Disaster Recovery O&M Fund (8044) will be funded from the HAS-Airports Improvement Fund (8011). Therefore, no fiscal note is required as stated in the Financial Policy Ord. 2014-1078 as an Operating Budget Item.

Director's Signature:

A handwritten signature in blue ink, appearing to read "Mario Diaz", is written over a horizontal line.

Mario C. Diaz
Houston Airport System

Amount of Funding:

\$5,000,000 HAS-Airports Improvement Fund (8011)

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