

## Legislation Text

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Presenter/Contact

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**SUBJECT:**

Approval to authorize the City Manager to negotiate and execute an agreement with McKenna Foundation for the administration of the COVID-19 Nonprofit Business Interruption Grant Program.

**BACKGROUND / RATIONALE:**

A presentation will be provided on October 12<sup>th</sup> outlining the recommended use of CARES act funding for the City of New Braunfels. A major component of that expenditure plan is to utilize a portion of the funds for economic/humanitarian support for a non-profit business interruption grant program.

As mentioned in the presentation, additional time restrictions have been placed on the City to utilize the CARES funding. To deliver the program within the condensed schedule, staff recommends to partner with the McKenna Foundation for administration services.

City and McKenna are finalizing the agreement. However, the following encompasses the main components of the agreement.

- Creation of grant application process, including:
  - Internal communication about intent of funding, priorities, award amounts and processes/procedures
  - External communication about grant award purpose, eligibility and timeline
- Solicitation of grant applications from local nonprofits and fielding of questions regarding eligibility and process
- Online application administration and collection of necessary documentation
- Analysis of grant application material considering agreed-upon City of New Braunfels criteria and priorities
- Preparation of grant award recommendations for review with City staff
- Preparation of grant award agreement (if needed)
- Distribution of funds based on award approval (if needed)

**Fee:** McKenna has offered to administer the program for a fee of 5% of the total award. This fee can be supported by the CARES allocation as well. With \$870,965 available for the program, the administrative fee would be approximately \$41,450 is the full amount was disbursed.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

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**FISCAL IMPACT:**

As mentioned above, the administrative fee is equal to 5% of the total disbursements under the program. This administrative cost is CARES funding eligible, therefore sufficient funds are available.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval