



## THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

*HOME OF THE BASKETBALL HALL OF FAME*

### **PRESS RELEASE**

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## **CITY OF SPRINGFIELD FINANCE DEPARTMENT TO PROVIDE UPDATE ON TORNADO RECOVERY SPENDING TO SPRINGFIELD CITY COUNCIL SUBCOMMITTEES**

*September 28, 2011* – The City of Springfield Finance Department is scheduled to provide an update to the Springfield City Council Planning and Economic Development and the Finance Subcommittees on **Thursday, September 29, 2011, at 5:00 p.m.**

Mayor Domenic J. Sarno directed his finance team to provide the budget update for tornado related expenses in an effort to keep the City Council and public informed about the work related to the tornado. City Administration and Finance Division Officials have indicated that since June 1<sup>st</sup>, the City has spent over \$9.6 million, primarily related to debris removal and monitoring, site preparation work related to assembling portable classrooms and overtime for City first responders. Additionally, officials estimate that the total projected cost to the City is anticipated to be \$106,202,501. This budget amount can fluctuate, but as of now, represents all necessary work needed to bring the City back to pre-tornado related condition.

In response to the rising costs and the possible delays in getting reimbursement from FEMA, Mayor Domenic J. Sarno had initiated a meeting with the Federal Coordinating Officer (FCO) of FEMA, Nick Russo, to discuss the timeline for anticipated reimbursements when completed projects are submitted to FEMA. There are 42 major projects that are being completed in collaboration with FEMA. These projects will take time to complete to make sure all eligible

costs are reimbursed. City Officials are currently working with FEMA on completing the most expensive projects first to ensure it does not adversely impact the City's cash flow. For example:

- Costs associated with Dryden and Brookings schools
- Debris removal
- Securing or demolishing City owned and acquired property
- Overtime related to First Responders

“My finance team has been monitoring the cash flow of the City frequently to ensure we have sufficient funds to pay our bills, however, without reimbursements coming from FEMA we will need to examine all of our options,” said Mayor Domenic J. Sarno. “My meeting with FCO Russo was very productive and we agreed to work together to expedite payments as quickly as possible.”

The Mayor highlights, that even with all the challenges related to rebuilding post tornado, steps have been identified and are currently in progress. Highlights include:

- Meeting with the FEMA Federal Coordinating Officer (FCO) of the New England Region to discuss reimbursement timelines;
- Currently generating options to address cash flow;
- Updates on budgets and weekly summaries to reflect operational work progress; and
- Update on cash flow analysis based on actual spending and projected reimbursement timelines.

Mayor Sarno reiterated that all options are on the table as the City continues to monitor all requests which include: expedited FEMA reimbursements, accelerated State Aid distributions and short term borrowing among other options.

Attached is a copy of a Memo prepared for Mayor Sarno by Finance Director Timothy J. Plante that will be disseminated to Councilors at Thursday's meeting.

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