



City of Cocoa, FL Emergency Financial Plan

The City of Cocoa desires to develop this Emergency Financial Plan pursuant to Sec. 252.391, Fla. Stat. (2024). The purpose of this plan is to ensure that the City has financial capacity to recover from disasters. There are several key steps in creating an emergency financial plan for the City.

- 1) **Assessment of Risks:** Potential emergency scenarios such as hurricanes, flooding or economic downturns or cybersecurity threats that could affect the city's finances.
 - a. The City of Cocoa is located on the east coast of Florida and is subject to events such as flooding, hurricanes, and tornados on a regular basis. The hurricane season usually begins on June 1 of each year and extends to November 30 of each year.
 - b. Hurricanes and the related weather events of tornados and flooding pose a significant threat to the City. The severity and duration of these events can vary. Damages can range from minor to severe or disastrous. The area of the east coast of Florida where Cocoa is located has not had a direct hit from a hurricane in many years; however, the frequency and severity of hurricanes is increasing each year due to climate change.
 - c. Additionally, Cocoa has a rail corridor that runs through the center of the City, carrying freight and passengers to other areas of Florida and out of state. Many trains pass through the City each day, so there is an increased threat of a train derailment or other disaster.
 - d. Cocoa is also located approximately 15 miles from the Kennedy Space Center and 6 miles from Port Canaveral, with a space force base and an air force base in close proximity, which could have threats of military action. The City is also near the Atlantic Ocean, which could receive military threats from the ocean front.
 - e. The City of Cocoa has a regional water treatment & distribution facility. There is a risk that the water could get contaminated in some way, harming consumers & causing loss of water revenue.
 - f. The City of Cocoa may experience financial hardship if the economy were to take a serious downturn. Economic downturns impact certain revenues in general fund such as property taxes, ½ cent sales tax, CST tax and state revenue sharing.

Conclusion: There is a moderately high risk of natural disasters such as hurricanes, flooding, and tornados. There have been few incidents involving trail derailments or gas leaks, so the risk for this type of disaster is low. The United States is not involved in any military conflicts at this time so the risk of military action nearby that may affect the City and its residents is low, even though the City is located near military and space bases. The water treatment and distribution facilities have strong security including guards, protected network systems that are monitored continuously and security cameras, so the risk of invasion of the water supply is low. The economy is currently doing well, and inflation is at a low rate & unemployment is low, so the risk of an economic downturn that would significantly impact the City is low at this time.

- 2) **Establishing Reserves:** Financial reserves need to be built up to cover unexpected expenses during emergencies. These reserves could be invested in a rainy-day fund or invested in accordance with the City's Investment Policy.
 - a. The fund balance policy defines the minimum amount of reserves held each year in the General Fund for stabilization and is designed to cover revenue shortfalls, unfunded mandates and any event that threatens the health, safety, and welfare of the citizens of Cocoa. (See Financial Operations Manual – Fund Balance Policy).
 - b. The City of Cocoa has a stabilization reserve policy as part of the General Fund fund balance policy. (See Financial Operations Manual – Fund Balance Policy). This amount is reviewed and established every year with the issuance of financial statements. The minimum level of reserves may be changed if the risks outlined above change significantly. It is determined that the current stabilization reserve policy is adequate based on the current risks.
 - c. The Stormwater Fund and the Water and Sewer Utility Fund have minimum reserve balances defined in the fund balance policy that is also established each year. This amount is reviewed and established every year with the issuance of the financial statements. The minimum level of reserves may be changed if the risks outlined above change significantly. It is determined that the current stabilization reserve policy is adequate based on the current risks.

Conclusion: The City maintains a reserve policy for the major funds that is reviewed and established each year to ensure adequate reserve levels are maintained based on the current risk factors.

- 3) **Budget Contingencies:** Allocation of a portion of the City budget specifically for emergency situations. This could include setting aside funds for disaster relief efforts or infrastructure repairs.
- a. The City budgets for an amount to be held in contingency each year for unplanned financial needs.
 - b. Due to the limited revenue sources, the City does not budget for emergency costs, but uses fund balances to recover from a disaster to the fullest extent possible.
 - c. The City will first pay for General Fund disaster costs through other fund balances and then the stabilization reserve, in the General Fund while attempting to maintain adequate liquidity levels to support daily operations.
 - d. It will follow the same procedure for the Stormwater and Water and Sewer Utility fund.
 - e. The City will consider re-prioritizing its city-wide annual budget if it is determined that reserves and existing fund balance are inadequate to finance disaster recovery.
 - f. The City will follow the Comprehensive Emergency Response Plan (CEMP) to recover from disasters.
- 4) **Collaboration with federal and state agencies:** Partnerships are established with federal and state agencies to access additional funding and resources during emergencies, including disaster relief or loans.
- a. There may be times when the current financial resources are inadequate. In those instances, the City will follow the county, state, and federal process for obtaining funding to reimburse eligible costs per state and federal guidelines.
 - b. The City will utilize mutual aid agreements to assist with disaster recovery. These agreements are with local municipalities, Brevard County, Brevard County Sheriff's Office, the Florida Fire Chief's Statewide Emergency response plan, the State of Florida Department of Emergency Management and FEMA.
 - c. The City is also a participant in the Florida Department of Emergency Management (FDEM) F-ROC program, where FDEM will advance funding for Category A (Debris Management) and Category B (Emergency Protective Measures) activities.

Conclusion: When the costs to recover from a disaster exceed the City's financial capabilities, the City will seek funding from other sources including, but not limited to, FDEM emergency funding, FEMA funding, a bank line of credit or a bank loan, a Local Government Emergency Revolving Bridge Loan, or any other means to help the restore City functions to Cocoa residents.

- 5) **Insurance Coverage:** The City will ensure that there is adequate insurance coverage for potential risks, such as property insurance for city-owned buildings and infrastructure.
- a. The City will review its insurance coverage on an annual basis and update coverage as needed.
 - b. The City will file insurance claims on damages that meet the deductible requirements to reduce the direct financial impact of all levels of disasters.

Conclusion: The City will make every effort to ensure there is adequate insurance coverage on City assets.

- 6) **Community Engagement:** The community is involved in the emergency planning process to increase awareness and preparedness. This includes provision of education resources and encouraging citizens to have their own emergency savings.
- a. An annual hurricane preparedness drive is done each year, equipping residents with basic hurricane readiness materials.
 - b. The City utilizes social media and other communication methods to inform the public about the hurricane preparedness drive.
 - c. The City utilizes social media to communicate with citizens in multiple ways about hurricane tracking, severe weather events and other emergencies.
 - d. There is a reverse 911 emergency system in place that can be used to communicate other targeted emergency information to residents.

Conclusion: The City will work with the City's Emergency Manager and Public Information Officers to involve the community in emergency preparedness through various programs and communications.

- 7) **Calculation of Disaster Costs:** The City will calculate the cost of damage after an event has occurred.
- a. Estimated repair costs may be determined from quotes, engineering estimates, other estimating methods based on historical cost or other method.
 - b. Estimated cost of force account labor will be calculated based on employees reporting for the emergency and the number of hours worked times their hourly rates, including benefits.
 - c. The City will follow the overall guidance and program criteria that county emergency management programs are to address.
 - d. After calculation of the cost of damages, the City will ascertain the method of how to finance the cost of the damages and determine if current fund balance, reserves for capital improvement or stabilization can be utilized in accordance with the Fund Balance Policy. If the

- aforementioned are determined to be inadequate, other methods of financing will be evaluated.
- e. The City may need to reprioritize the current adopted budget if resources are determined to be inadequate.
 - f. The City will seek financial assistance through the Florida Department of Emergency Management and FEMA if a disaster meets the criteria for those programs.
 - g. If a loan is needed to recover from a disaster, the City will seek bank loans or bridge loans through the state programs.
- 8) The City has a pcard program that staff can use to make minor purchases during emergencies to assist with recovery.
- 9) The City maintains an emergency division in the general fund, stormwater fund and the utility fund to capture and segregate costs related to disaster recovery.
- a. A new project number is created for each emergency or disaster for use city-wide for emergency or disaster recovery costs.
 - b. Payroll costs are calculated using specific payroll codes to track emergency related costs vs regular costs that may be reimbursed through FDEM and FEMA.
- 10) **Essential employees** who will be reporting during an emergency or disaster are identified and informed in advance.
- a. All City of Cocoa employees have had some level of National Incident Management System (NIMS) training based on their roles during a disaster.
 - b. Employees who report during an emergency are provided the emergency pay codes to code their time worked related to emergency pay. These payroll codes are used to track eligible labor costs.
 - c. Employees not working for the disaster are informed about how to code their time and how to obtain emergency information from the City.
 - d. A special phone number is maintained for employees to get updated information regarding city hours during an emergency.
 - e. Emergency employee contact phone lists are maintained and updated each year by each department and division by June 1.
- 11) **Employees** are encouraged to use direct deposit for their paychecks to ensure continued income during emergencies. If the City is unable to produce a payroll for exact hours worked during a disaster, they will receive the same pay as the most recent pay period until such time that payroll can be processed in a routine manner.

- 12) **Regular** review and updates: The City will review this Emergency Plan on an annual basis no later than June 1 of each year to account for changes in risks, economic conditions, and community needs.