



City of Homer

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Memorandum 20-110

TO: Mayor Castner and Homer City Council
FROM: Rick Abboud, Interim City Manager
DATE: July 23, 2020
SUBJECT: Funding allocations of Ord. 20-45

Through Ord. 20-25(S), \$3,665,000 of the first distribution of CARES Act dollars was appropriated. This left a remaining balance of \$202,758.79 that can be used for additional COVID-19 related expenses. The ordinance currently before Council appropriates \$ 3,151,529 from the second and third disbursements, leaving a remaining balance of \$879,797.50 that can be used for additional COVID-19 related expenses.

I recommend leaving the combined balance of \$1,082,556.29 unencumbered and moving forward with the proposed allocations listed under Section 1 of Ordinance 20-45. Municipal operations including materials, services, and personnel costs have been projected for the next 60 days, however there will be costs that can be recovered with Cares Act funds after this time period. Additionally, all new economic relief grant programs will have a designated application period for community members to apply for funding. Keeping a shorter timeline for applications to be received will help the City assess if additional funding is needed due to high demand for a particular program. In which case, Council can either appropriate the unencumbered balance or Administration can flex any remaining funds from the first disbursement to assist the City in expending 80% so that the second disbursement may be received.

Addressing and responding to the pandemic requires flexibility for unforeseen circumstances, of which availability of funds is key.