



# City of Homer

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Finance Department

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## Memorandum 20-113

TO: Mayor Castner and Homer City Council  
THROUGH: Rick Abboud, Acting City Manager  
FROM: Elizabeth Walton, Finance Director  
DATE: July 22, 2020  
SUBJECT: Update on COVID-19 Related Personnel Costs

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The purpose of this memo is to provide an update on our existing appropriation for COVID-19 related personnel costs.

Ordinance 20-25(S) appropriated \$445,000 for approved staffing expenses associated with COVID-19 response. This appropriation was derived by including those expenses approved in Emergency Ordinance 20-24 (Memo 20-065 provides detail), totaling \$255,000 and “budgeted” personnel costs presented in a memorandum included in council’s laydown packet for the meeting on May 26<sup>th</sup> totaling just shy of \$190,000. Together these two estimations equate to the \$445,000 appropriated in Ordinance 20-25(S).

This admission was included in the laydown packet detailing the budgeted personnel costs:

This category is a moving target and a determination still remains on how to utilize CARES funding to cover budgeted personnel costs.

There have been numerous interpretations of the language in municipalities across the State, with some stating that the CARES funding can be used to fully cover the budgeted labor costs associated with first responders. Others are interpreting the language very tightly and are using CARES funding to cover labor costs only if the employee experienced a “substantially different” job.

This still remains to be a sticking point with CARES Act funding and is subject to interpretation. The appropriation has been broken down below, with the factoring in of utilizing CARES funding for reimbursement of employee regular time. If council no longer wishes to utilize CARES funding for such reimbursement, then those expenses can simply be backed out and the appropriation adjusted accordingly.

Update of the appropriation set forth in Ord 20-25(S):

Appropriation	\$445,000
Unbudgeted Personnel thru PPE 5/10	(\$141,162)
Budgeted Personnel thru PPE 5/10	(\$160,529)
<b>Remaining after PPE 5/10</b>	<b>\$143,309</b>
Unbudgeted Personnel PPE 5/24 – 7/5	(\$69,045)
Budgeted Personnel PPE 5/24 – 7/5	(\$64,276)
<b>Remaining after PPE 7/5</b>	<b>\$9,988</b>

Breakdown of projected unbudgeted personnel costs for next 60 days:

Standby	\$0
Overtime	\$32,145
<u>Emergency Hires</u>	<u>\$26,838</u>
Total Projection	\$58,983

Breakdown of projected budgeted personnel costs for next 60 days:

Full Time Regular	\$56,068
Part Time Regular	\$3,249
<u>Quarantine</u>	<u>\$0</u>
Total Projection	\$59,317

Total Projected Personnel Costs: \$118,300

Appropriation Remaining: \$9,988

**Additional Funding Requested: \$108,312**

Recommendation: Approve additional appropriation of \$108,312 to fund COVID-19 related personnel costs for the next 60 days.