



City of Homer

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Memorandum 20-144

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: September 14, 2020
SUBJECT: Update on COVID-19 Related Personnel Costs

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

Total appropriation to date for approved staffing expenses associated with COVID-19 response is \$553,312. This appropriation was equated as follows:

- 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 26th totaling just shy of \$190,000. Together these two estimations equate to the \$445,000 appropriated in Ordinance 20-25(S).
- Ordinance 20-45(S) appropriated \$108,312 for approved staffing expenses associated with COVID-19 response. This appropriation was broken out in accompanying memo 20-113 from the Finance Director.

This is a reminder regarding 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 appropriations set forth in Ord 20-25(S) and Ord 20-45(S):

Combined Appropriation	\$553,312
Unbudgeted Personnel thru PPE 8/30	(\$219,725)
Budgeted Personnel thru PPE 8/30	(\$249,601)
Remaining after PPE 8/30	\$83,986

Breakdown of projected unbudgeted personnel costs for next 60 days:

Standby	\$ 0
Overtime	\$19,730
<u>Emergency Hires</u>	<u>\$26,838</u>
Total Projection	\$46,568

Breakdown of projected budgeted personnel costs for next 60 days:

Full Time Regular	\$35,458
<u>Part Time Regular</u>	<u>\$ 0</u>
Total Projection	\$35,458

Total Projected Personnel Costs: \$82,026

Appropriation Remaining: \$1,960

Additional Funding Requested: \$0

These figures do not include the personnel costs associated with the CARES Act Program Coordinator, as this position was funded under a separate appropriation (Ord 20-41).

Recommendation: Continue to monitor appropriation for the need to provide additional funding associated with personnel costs connected to the COVID-19 response.