

**CITY OF HOMER
HOMER, ALASKA**

Lord

RESOLUTION 20-061

A RESOLUTION OF THE HOMER CITY COUNCIL AMENDING THE SMALL BUSINESS ECONOMIC RECOVERY GRANT (SBERG) PROGRAM TO CLARIFY ELIGIBILITY REQUIREMENTS RELATED TO DELINQUENT STATUS WITH THE KENAI PENINSULA BOROUGH TAX DEPARTMENT AND REQUESTING A REVIEW OF AUDIT REQUIREMENTS AND CITY PROCESS FROM STAFF.

WHEREAS, The City Council passed Resolution 20-057 on June 8, 2020 establishing the City's Small Business Economic Recovery Grant (SBERG) Program to assist small businesses within the City of Homer with economic recovery as a result of the COVID-19 pandemic; and

WHEREAS, The intention of the SBERG program is to create a straightforward mechanism to provide these grants with as few roadblocks as possible for business owners; and

WHEREAS, One of the SBERG eligibility requirements set through Resolution 20-057 is that a business "must not be delinquent on payments and filed returns with the Kenai Peninsula Borough Tax Department with no missed filings or balance due on record" ; and

WHEREAS, In a memorandum from the Acting City Manager dated June 16, 2020 that summarized borough-wide communication regarding CARES Act funds, feedback from the Borough was "There could be a substantial number of entities that are delinquent, quite possibly due to COVID-19"; and

WHEREAS, The Kenai Peninsula Borough Tax Department is working earnestly during this difficult economic time to establish payment plans with businesses and assist them with compliance on an extended timeline, though the technical status for these responsive businesses may still be "delinquent"; and

WHEREAS, Also in the June 16, 2020 memo is a section on accountability, noting that all spending of CARES Act funding will be subject to federal audit and the steps the Borough is taking to "assist grantees in being accountable in how they use the funds" as well as assuring staff support for not only the mobilization but also the demobilization of their grant program(s); and

41 WHEREAS, The City of Homer will be held to the same audit requirements and
42 accountability standards as the Borough, and will similarly be liable for misspent funds and/or
43 lacking documentation.
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45 NOW, THEREFORE BE IT RESOLVED, that the City Council of Homer, Alaska, strikes the
46 SBERG Policy Eligibility Requirement #4 and replaces it with "Must not be delinquent with the
47 Kenai Peninsula Borough Tax Department as a result of a lien or violation of payment plan."
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49 BE IT FURTHER RESOLVED, that the City Council requests an action plan from City
50 Administration at the July 27, 2020 Council meeting outlining the steps to accountability that
51 would satisfy a federal audit for the spending of all CARES Act funds, including plans for
52 engagement with grantees and record-keeping.
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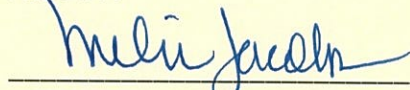
54 PASSED AND ADOPTED by the Homer City Council this 1th day of July, 2020.
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56 CITY OF HOMER

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59 KEN CASTNER, MAYOR

60 ATTEST:

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63 MELISSA JACOBSEN, MMC, CITY CLERK

