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**CITY OF HOMER
HOMER, ALASKA**

Lord/Aderhold

ORDINANCE 20-45(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
APPROPRIATING \$4,031,326.50 IN CARES ACT FUNDS FROM THE
STATE OF ALASKA AND PROVIDING FOR ADMINISTRATIVE
FLEXIBILITY IN THE MANAGEMENT OF THESE FUNDS.

WHEREAS, The State of Alaska received over \$1.5 billion in federal funding under the
Coronavirus Aid, Relief, and Economic Security (CARES) Act, with \$562.5 million directed by the
Governor and the Alaska Legislature to Alaska's municipalities for direct relief designed to help
meet each community's unique needs and costs associated with coping with the novel
coronavirus, COVID-19; and

WHEREAS, The City of Homer's total allocation is \$7,899,085.29, which was authorized
for receipt under Resolution 20-051; and

WHEREAS, The funds allocated to the City of Homer will be distributed by the state in
three payments:

- 1) \$3,867,758.79
- 2) \$2,015,663.25 on or about July 1, 2020
- 3) \$2,015,663.25 on or about October 1, 2020; and

WHEREAS, The City of Homer must expend 80% of the first distribution (equal to
\$3,094,207) before the second portion of the allocation is distributed to the City and this
requirement is also applicable to the second distribution where the City must expend 80%
(equal to \$1,612,530.60) before the City receives its third and final distribution; and

WHEREAS, the first allotment of \$3,867,758.79 was appropriated via Ordinance 20-25(S)
on June 8, 2020, as follows:

- A) \$3,000,000 is appropriated to the Small Business Economic Relief Grant Program
(SBERG), per the policy outlined in Resolution 20-057.
- B) \$90,000 is appropriated to pay for the initial administrative costs, including additional
personnel and direct expenses (including public outreach), of the small business grant
program.
- C) \$130,000 is appropriated to reimburse the City's advance of emergency funding that
was used to meet the demands of the first few weeks of COVID-19 response and altered
municipal operations.

- 42 D) \$445,000 is appropriated to repay the City for approved staffing expenses associated
43 with the COVID-19 state mandates and closures and operations of the City's emergency
44 operations center and coordination with other agencies and organizations through a
45 unified command.
46 E) The balance is to be placed in a dedicated account to be kept ready for additional
47 COVID-19 related expenses through additional appropriation by the Homer City
48 Council.

49
50 WHEREAS, In addition to small businesses, Homer-based nonprofit organizations,
51 households within the City of Homer, nonprofits and businesses that provide social services to
52 Homer residents related to the pandemic, childcare providers in the City of Homer, and South
53 Peninsula Hospital are in immediate need of fiscal relief due to the COVID-19 pandemic and
54 actions taken as a result to protect public health; and

55
56 WHEREAS, CARES Act funds may be used for expenses associated with the provision of
57 economic support in connection with the COVID-19 health emergency, including expenditures
58 related to the provision of grants to businesses, nonprofits, households, and hospitals that
59 suffered negative impacts as a result of public health mandates related to COVID-19; and

60
61 WHEREAS, South Peninsula Hospital (SPH), a critical care hospital that operates in the
62 City of Homer, has partnered with the City of Homer during the COVID-19 pandemic response
63 including participating in the City's Unified Command and has been financially impacted
64 through measures such as temporarily closing many hospital services in response to statewide
65 health mandates, preparing to safely receive Covid-19 patients through modifications to the
66 building and equipping staff with personal protective equipment, and conducting COVID-19
67 testing at the hospital and at pop-up locations on the Homer spit and elsewhere on the
68 southern Kenai Peninsula at the hospital's expense; and

69
70 WHEREAS, SPH has expended funds to prepare for pandemic response while
71 simultaneously losing revenue due to temporarily stopping services; and

72
73 WHEREAS, The Alaska Municipal League (AML) is a non-profit of which the City is a
74 member and, as outlined in Ordinance 20-39(A), has also been impacted by the pandemic;

75
76 WHEREAS, CARES Act funds may also be used to reimburse the City for expenses related
77 to municipal operations such as material and service costs including capital expenses and
78 personnel costs that are a direct result of the COVID-19 response, including the added
79 administrative costs associated with substantial associated financial management and
80 oversight; and

81
82 WHEREAS, The City Manager will present Homer City Council with a ~~resolution~~
83 **ordinance** or ~~resolutions~~ **ordinances** detailing how CARES Act funds allocated to the City will

84 be used for municipal operations that are a direct result of the COVID-19 response and
85 mitigation; and

86
87 WHEREAS, The Homer City Council established the Small Business Economic Relief
88 Grant (SBERG) Program policy through Resolution 20-057; and

89
90 WHEREAS, Resolution 20-0~~XX~~ **071** establishes policies for a Nonprofit Economic Relief
91 Grant Program (NERG), Household Economic Relief Grant Program (HERG), Social Services
92 Economic Relief Grant Program (SoSERG), and Childcare Business Economic Relief Grant
93 Program (CBERG); and

94
95 WHEREAS, The expenses associated with these additional COVID-19 economic relief
96 programs were not accounted for in the FY20-21 budget, but the City needs to respond
97 financially to the economic hardships caused by the COVID-19 health mandates during the
98 period March 2020 to December 2020.

99
100 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

101
102 Section 1. The Homer City Council hereby accepts and appropriates the second and
103 third payments of municipal CARES Act funding in the amount of \$4,031,326.50, at the time
104 that the funds become available from the State of Alaska and the City has expended 80% of
105 previous distributions, to be used as follows:

- 106
107 A) \$222,537 is appropriated to pay for City material and service expenses including
108 capital expenses that qualify for reimbursement under the CARES Act and are
109 approved by the Homer City Council projected for the next 60 days.
- 110 B) \$108,312 is appropriated to fund COVID-19 related personnel costs projected over
111 the next 60 days. The additional personnel and direct expenses (including public
112 outreach) of the grant programs outlined in this ordinance have been approved and
113 funded under Section 1. B. of Ord. 20-25(S).
- 114 C) ~~\$1,000,000~~ **\$1,500,000** is appropriated to the Household Economic Relief Grant
115 Program per the policy outlined in Resolution 20-071.
- 116 D) ~~\$1,250,000~~ **\$750,000** is appropriated to the Nonprofit Economic Relief Grant
117 Program per the policy outlined in Resolution 20-071.
- 118 E) \$200,000 is appropriated to the Social Services Economic Relief Grant Program per
119 the policy outlined in Resolution 20-071.
- 120 F) \$150,000 is appropriated to the Childcare Business Economic Relief Grant Program
121 per the policy outlined in Resolution 20-071.
- 122 G) \$200,000 is appropriated to South Peninsula Hospital for expenses incurred in
123 response to the COVID-19 pandemic.

- 124 H) \$20,680 is appropriated to Alaska Municipal League for expenses incurred and
125 anticipated in response to the COVID-19 pandemic.
126 I) The balance is to be placed in a dedicated account to be kept available for
127 additional Covid-19 related expenses such as municipal operations through
128 additional appropriation by the Homer City Council.

129
130 Revenue:

131

132 <u>Description</u>	132 <u>Amount</u>
133 FY 2020 CARES Act Municipal Assistance	\$2,015,663.25
134 FY 2020 CARES Act Municipal Assistance	\$2,015,663.25

135

136 Transfer:

137

138 <u>Description</u>	138 <u>Amount</u>
139 COVID 19 Response Fund	\$2,015,663.25
140 COVID 19 Response Fund	\$2,015,663.25

141

142 Section 2. Unspent funds appropriated from the first distribution (~~\$3,867,758.79~~) may
143 be reallocated to the uses outlined in Section 1 to allow the City to expend 80% of the first
144 distribution to attain eligibility for the second distribution through this administrative
145 flexibility.

146
147 Section 3. A \$50,000 portion of the \$90,000 appropriated from the first distribution
148 under Ordinance 20-25(S) to pay for the initial administrative costs, including additional
149 personnel and direct expenses (including public outreach) of the small business grant program
150 has been reallocated for the purpose of hiring a CARES Act Program Coordinator.

151
152 Section 4. This ordinance is a budget ordinance only, is not permanent in nature and
153 shall not be codified.

154
155 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 10 day of August, 2020.

156
157 CITY OF HOMER

158 

159
160 KEN CASTNER, MAYOR



161
162 ATTEST:

163 
164

165 MELISSA JACOBSEN, MMC, CITY CLERK

166

167 YES: 6

168 NO: 0

169 ABSTAIN: 0

170 ABSENT: 0

171

172 First Reading: 7-27-20

173 Public Hearing: 8-10-20

174 Second Reading: 8-10-20

175 Effective Date: 8-11-20

176

177 Reviewed and approved as to form.

178

179

180 Rick Abboud, Interim City Manager

181

182 Date: 8/13/2020

183

s/Michael Gatti/

Michael Gatti, City Attorney

Date: 8/20/2020