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.
D) $445,000 is appropriated to repay the City for approved staffing expenses associated with the COVID-19 state mandates and closures and operations of the City's emergency operations center and coordination with other agencies and organizations through a unified command.

E) The balance is to be placed in a dedicated account to be kept ready for additional COVID-19 related expenses through additional appropriation by the Homer City Council.

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

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

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

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

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

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

WHEREAS, The City Manager will present Homer City Council with a resolution or resolutions detailing how CARES Act funds allocated to the City will
be used for municipal operations that are a direct result of the COVID-19 response and mitigation; and

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

WHEREAS, Resolution 20-0XX establishes policies for a Nonprofit Economic Relief Grant Program (NERG), Household Economic Relief Grant Program (HERG), Social Services Economic Relief Grant Program (SoSERG), and Childcare Business Economic Relief Grant Program (CBERG); and

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

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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

A) $222,537 is appropriated to pay for City material and service expenses including capital expenses that qualify for reimbursement under the CARES Act and are approved by the Homer City Council projected for the next 60 days.

B) $108,312 is appropriated to fund COVID-19 related personnel costs projected over the next 60 days. The additional personnel and direct expenses (including public outreach) of the grant programs outlined in this ordinance have been approved and funded under Section 1. B. of Ord. 20-25(S).

C) $1,000,000 $1,500,000 is appropriated to the Household Economic Relief Grant Program per the policy outlined in Resolution 20-071.

D) $1,250,000 $750,000 is appropriated to the Nonprofit Economic Relief Grant Program per the policy outlined in Resolution 20-071.

E) $200,000 is appropriated to the Social Services Economic Relief Grant Program per the policy outlined in Resolution 20-071.

F) $150,000 is appropriated to the Childcare Business Economic Relief Grant Program per the policy outlined in Resolution 20-071.

G) $200,000 is appropriated to South Peninsula Hospital for expenses incurred in response to the COVID-19 pandemic.
H) $20,680 is appropriated to Alaska Municipal League for expenses incurred and anticipated in response to the COVID-19 pandemic.

I) The balance is to be placed in a dedicated account to be kept available for additional Covid-19 related expenses such as municipal operations through additional appropriation by the Homer City Council.

Revenue:

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<th>Description</th>
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<tr>
<td>FY 2020 CARES Act Municipal Assistance</td>
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<td>FY 2020 CARES Act Municipal Assistance</td>
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Transfer:

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<th>Description</th>
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<tr>
<td>COVID 19 Response Fund</td>
<td>$2,015,663.25</td>
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<td>$2,015,663.25</td>
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</tbody>
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Section 2. Unspent funds appropriated from the first distribution ($3,867,758.79) may be reallocated to the uses outlined in Section 1 to allow the City to expend 80% of the first distribution to attain eligibility for the second distribution through this administrative flexibility.

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

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ________, 2020.

CITY OF HOMER

_____________________________
KEN CASTNER, MAYOR

ATTEST:

_____________________________
MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form.

_________________________________     _____________________________
Rick Abboud, Interim City Manager     Michael Gatti, City Attorney

Date: ________________________    Date: ________________________