

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2020-09

CREATING BUDGET AMENDMENT #9 TO THE FISCAL YEAR 2020 BUDGET, CONVERTING EMERGENCY BUDGET AMENDMENT #7 TO A REGULAR BUDGET AMENDMENT TO APPROPRIATE FUNDS FOR THE CITY'S RESPONSE TO THE COVID-19 PANDEMIC AND FOR A GRANT TO ILIULIUK FAMILY AND HEALTH SERVICES AND APPROPRIATING ADDITIONAL FUNDS FOR QUARANTINE SITE CLEANING SERVICES AND FUEL TRUCK RENTAL

WHEREAS, the City of Unalaska, with Resolution 2020-16 declared a local emergency authorizing the City Manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 throughout the City of Unalaska and;

WHEREAS the City of Unalaska, with Ordinance 2020-04 created emergency budget amendment #7 which created an appropriation that will expire on June 1, 2020 without further action by the city council and;

WHEREAS the City of Unalaska intends to convert the temporary appropriation created with emergency budget amendment #7 to a regular appropriation and appropriate additional funds for COVID-19 related items,

NOW THEREFORE BE IT ENACTED BY THE UNALASKA CITY COUNCIL

- Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY20 Budget is amended as follows:

A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.

B. The following are the changes by account line item:

Amendment No. 9 to Ordinance #2019-07

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. General Fund			
Sources:			
Appropriated Fund Balance	\$ 11,531,669	\$ 865,000	\$ 12,396,669
Uses:			
COVID-19 Emergency Protective Measures	\$ -	\$ 345,000	\$ 345,000
COVID-19 Food Program	\$ -	\$ 20,000	\$ 20,000
IFHS Medical Programs Grant	\$ 180,000	\$ 500,000	\$ 680,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on May 26, 2020.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Marjie Veeder, CMC
City Clerk



City of Unalaska
Summary of FY20 Budget Amendment #9 and Schedule of Proposed Accounts
Conversion of emergency budget amendment #7, Ordinance 2020-04, to a regular budget amendment
and appropriation of additional amounts related to the COVID-19 response

- 1) General Fund - Operating Budget
 Add \$345,000 to the COVID-19 Emergency Protective Measures project
 Add \$20,000 to the COVID-19 Food Program project
 Add \$500,000 to Community Support for IFHS Medical Programs

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current*</u>	<u>Requested</u>	<u>Revised</u>
1) General Fund - Operating Budget						
Sources:						
<i>General Fund</i>						
Appropriated Fund Balance	01010049	49900		\$ 11,531,668.50	\$ 865,000.00	\$ 12,396,668.50
Uses:						
<i>City Manager Projects</i>						
<i>COVID-19 Emergency Protective Measures</i>						
Other Professional Services	01020252	53300	EM002	\$ -	\$ 90,000.00	\$ 90,000.00
Equipment Rental	01020252	54420	EM002	\$ -	\$ 25,000.00	\$ 25,000.00
General Supplies	01020252	56100	EM002	\$ -	\$ 230,000.00	\$ 230,000.00
<i>COVID-19 Food Program</i>						
Food/Bev/Related for Programs	01020252	56310	EM003	\$ -	\$ 20,000.00	\$ 20,000.00
<i>Community Support</i>						
IFHS Medical Programs	01029154	58410		\$ 180,000.00	\$ 500,000.00	\$ 680,000.00

*Current budget number does not include the amounts appropriated with emergency budget amendment #7, as that appropriation expires June 1, 2020 and this ordinance will convert the expiring emergency appropriation to a regular appropriation.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: May 12, 2020
Re: Ordinance 2020-09, creating budget amendment #9 to the fiscal year 2020 budget, converting emergency budget amendment #7 to a regular budget amendment to appropriate funds for the city's response to the COVID-19 pandemic and for a grant to Iliuliuk Family and Health Services and appropriating additional funds for quarantine site cleaning services and fuel truck rental

SUMMARY: This amendment to the city manager budget will convert emergency budget amendment #7 to a regular budget amendment for the appropriation of funds to cover the initial estimated costs of the city's COVID-19 response. In addition it will authorize the appropriation of funds for cleaning services at the COVID-19 quarantine site and for rental of a fuel truck at the airport. Staff recommends adoption.

PREVIOUS COUNCIL ACTION: Council adopted the Fiscal Year 2020 budget on May 28, 2019 with Ordinance 2019-07. There have been eight prior amendments to the FY20 budget.

On March 18, 2020 council adopted Resolution 2020-16, declaring a local emergency and authorizing the city manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 throughout the city of Unalaska.

On April 2, 2020 council adopted emergency Ordinance 2020-04 creating emergency budget amendment #7.

BACKGROUND: On March 11, 2020, the World Health Organization declared a pandemic related to COVID-19. On March 11, 2020, Governor Mike Dunleavy declared a Public Health Disaster Emergency in the State of Alaska, and on March 12, 2020, City of Unalaska stood up the Emergency Operations Center (EOC) to provide a framework for coordinated communications, preparedness and response.

DISCUSSION: Emergency budget amendment #7, passed on April 2, 2020, appropriated funds to enable the city manager to prepare and position resources in order to reduce the impact and spread of the coronavirus throughout the City of Unalaska in accordance with the declaration of a local emergency adopted with Resolution 2020-16.

The appropriation created with the emergency budget amendment will expire on June 1, 2020 without action by the city council to convert the emergency budget amendment to a permanent budget amendment with this ordinance.

The funds requested with the emergency budget amendment were intended to cover start-up costs such as providing a quarantine site, purchasing necessary supplies and materials for use in prevention and response efforts, and providing supplies to begin an emergency food delivery program.

Three days after emergency budget amendment #7 was passed RavnAir Group announced that they would ground their entire fleet and seek Chapter 11 bankruptcy protection. RavnAir Group owns the only fuel truck available to refuel aircraft in Unalaska and their bankruptcy filing made it impossible for charter flights, cargo planes and air ambulances to obtain fuel here, seriously impacting the City's ability to respond to the COVID-19 emergency.

With the assistance of our Attorneys office, the City has reached an agreement with Ravn to rent the fuel truck for \$1,250 per week and to purchase the fuel currently in the truck. Based on the term of the lease and purchase of existing fuel, it is expected that the City will incur costs of approximately \$25,000 to lease the vehicle.

City staff was unable to secure the services of qualified local professionals to initially clean and provide on-going quarantine site cleaning services; therefore, those services will be provided by a firm in Anchorage. Due to the need for ongoing cleaning, it was fiscally prudent to have cleaning service personnel stay in Unalaska until their services were no longer needed. The cost of the services, lodging and per diem expenses is estimated at \$90,000 for a three-month period.

The requested funds do not include personnel costs for City of Unalaska employees.

ALTERNATIVES: The primary choices before City Council are summarized as follows:

- Council can take no action; however, by doing so the emergency budget amendment will expire on June 2, 2020, which could hamper the City's ability to meet any ongoing needs related to the COVID-19 pandemic
- Council could amend the amount requested
- Council could approve as presented

FINANCIAL IMPLICATIONS: The operating budget for the city manager's office will increase by \$865,000. Given that the budget amendment is related to an ongoing project, the appropriation of additional funds will carry over into FY 2021.

This includes the \$250,000 in the original emergency budget amendment, the \$500,000 that Council added to the original emergency budget amendments, and now an additional \$115,000 for anticipated expenses associated with response efforts.

As of May 7, 2020, the City has spent or encumbered \$144,969.19 of the funds originally appropriated with emergency budget amendment #7. It is staff's expectation that all or a significant portion of the moneys spent will be eligible for reimbursement through FEMA's Emergency Public Assistance Program or the CARES Act.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2020-09.

PROPOSED MOTION: I move to schedule Ordinance 2020-09 for public hearing and second reading on May 26, 2020.

CITY MANAGER'S COMMENTS: I support staff's recommendation. These funds allow for us to more seamlessly progress in our response efforts.