

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-15

CREATING BUDGET AMENDMENT #1 TO THE FISCAL YEAR 2022 BUDGET, ACCEPTING \$7,200 FROM ALEUTIAN PRIBILOF ISLANDS ASSOCIATION AND APPROPRIATING \$7,200 IN THE GENERAL FUND FOR THE SENIOR EXERCISE PROGRAM; APPROPRIATING \$197,884 IN THE GENERAL FUND FOR PUBLIC SAFETY EMPLOYEES ASSOCIATION EMPLOYEE COMPENSATION PER THE COLLECTIVE BARGAINING AGREEMENT; AND RECOGNIZING \$ 1,069,850 OF AMERICAN RESCUE PLAN ACT REVENUE AND APPROPRIATING \$ 1,069,850 FOR EXPENDITURES IN THE CORONAVIRUS RELIEF FUND

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 FY22 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 #1 to Ordinance 2021-07

	Current	Requested	Revised
I. OPERATING BUDGETS			
A. General Fund			
Sources:			
Appropriated Fund Balance	\$ 5,694,458	\$ 197,884	\$ 5,892,342
Local Support - APIA	\$ -	\$ 7,200	\$ 7,200
Uses:			
PSEA Employee Compensation	\$ 4,953,919	\$ 197,884	\$ 5,151,803
PCR Other Professional Services	\$ 20,340	\$ 7,200	\$ 27,540
B. Coronavirus Relief Fund			
Sources:			
ARPA Grant	\$ -	\$ 1,069,850	\$ 1,069,850
Uses:			
EOC Upgrade	\$ -	\$ 50,000	\$ 50,000
Isolation Site	\$ -	\$ 64,000	\$ 64,000
Temporary Hires	\$ -	\$ 82,232	\$ 82,232
Utility Credit Program	\$ -	\$ 873,618	\$ 873,618

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 24, 2021.


 Vincent M. Tutikoff, Sr.
 Mayor

ATTEST:


 Marjie Veeder, CMC
 City Clerk



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Summary of Budget Amendment and Schedule of Proposed Accounts
Budget Amendment #1 to the FY22 Budget

1) General Fund - Operating Budget

Public Safety

Add \$197,884 to Appropriated Fund Balance

Add a total of \$197,884 to the Police, Communications, Corrections and Fire/EMS personnel budgets per the PSEA collective I

Parks, Culture and Recreation

Add \$7,200 to Other PCR Revenue to record grant from APIA for the senior exercise program

Add \$7,200 to Other Professional Services for senior exercise program instructor

2) Coronavirus Relief Fund

Add \$1,069,850 to ARPA Grant Revenue distributed through AK DCCED per the Coronavirus Local Fiscal Recovery Fund agre

Add \$50,000 to General Supplies for upgrades to the emergency operations center

Add \$1,019,850 to Community Grants for the residential utility credit program

	Org	Object	Project	Current	Requested	Revised
1) <u>General Fund Operating Budget</u>						
<i>Public Safety</i>						
Sources:						
Appropriated Fund Balance	01010049	49900		\$ 5,694,458	\$ 197,884	\$ 5,892,342
Uses:						
<i>Police</i>						
Police - Salaries & Wages	01021151	51100		\$ 1,858,759	\$ 72,167	\$ 1,930,926
Police - FICA & Medi	01021151	52200		\$ 159,032	\$ 5,521	\$ 164,553
Police - PERS	01021151	52300		\$ 589,934	\$ 17,772	\$ 607,706
<i>Communications</i>						
Communications - Salaries & Wages	01021251	51100		\$ 464,185	\$ 27,469	\$ 491,654
Communications - FICA & Medi	01021251	52200		\$ 38,289	\$ 2,101	\$ 40,390
Communications - PERS	01021251	52300		\$ 137,532	\$ 6,901	\$ 144,433
<i>Corrections</i>						
Corrections - Salaries & Wages	01021451	51100		\$ 573,779	\$ 6,334	\$ 580,113
Corrections - FICA & Medi	01021451	52200		\$ 46,973	\$ 485	\$ 47,458
Corrections - PERS	01021451	52300		\$ 170,532	\$ (977)	\$ 169,555
<i>Fire/EMS</i>						
Fire/EMS - Salaries & Wages	01021551	51100		\$ 651,351	\$ 44,048	\$ 695,399
Fire/EMS - FICA & Medi	01021551	52200		\$ 59,286	\$ 3,370	\$ 62,656
Fire/EMS - PERS	01021551	52300		\$ 204,267	\$ 12,694	\$ 216,961
<i>Parks, Culture and Recreation</i>						
Sources:						
Other PCR Revenue	01012047	43780		\$ -	\$ 7,200	\$ 7,200
Uses:						
Other Professional Services	01023252	53300		\$ 20,340	\$ 7,200	\$ 27,540
2) <u>Coronavirus Relief Fund</u>						
Sources:						
ARPA Revenue	130A2041	42149		\$ -	\$ 1,069,850	\$ 1,069,850
Uses:						
Temporary Hires	130A2051	51200		\$ -	\$ 76,000	\$ 76,000
FIC & Medicare	130A2051	52200		\$ -	\$ 6,232	\$ 6,232
Supplies	130A2052	56100		\$ -	\$ 50,000	\$ 50,000
Rent/Lease	130A2052	54410		\$ -	\$ 32,000	\$ 32,000
Electricity	130A2052	56220		\$ -	\$ 8,000	\$ 8,000
Other Professional Services	130A2052	53300		\$ -	\$ 24,000	\$ 24,000
Community Grants	130A2052	58400		\$ -	\$ 873,618	\$ 873,618

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: August 10, 2021
Re: Ordinance 2021-15: Creating FY22 Budget Amendment #1, to receive \$7,200 from Aleutian Pribilof Islands Association and appropriating \$7,200 in the General Fund for the Senior Exercise Program; appropriating \$197,884 in the General Fund for PSEA employee compensation per the CBA, and recognizing \$1,069,850 of American Rescue Plan Act revenue and appropriating \$1,069,850 for expenditures in the Coronavirus Relief Fund

SUMMARY: Ordinance 2021-15 creates budget amendment #1 to accept \$7,200 to fund the Senior Exercise Program and increase PCR personnel costs in the same amount; increases Public Safety personnel costs by \$197,884 as a result of the approved Collective Bargaining Agreement (CBA); and adopts American Rescue Plan Act (ARPA) funding budget to include revenue and expenditures in the amount of \$1,069,850.42.

PREVIOUS COUNCIL ACTION:

On September 19, 2019, Council adopted Ordinance 2019-09 creating Budget Amendment #1 to the FY 2020 operating and capital budget. This ordinance included an amendment to PCR's budget in the amount of \$7,200 to start the Senior Exercise Program.

On May 25, 2021, City Council adopted the Fiscal Year 2022 Operating and Capital budget through Ordinance 2021-07; this is the first amendment.

On May 25, 2021, City Council approved Resolution 2021-17 Authorizing the City Manager to Sign a CBA between the City of Unalaska and the Public Safety Employees Association (PSEA) for represented employees.

On June 22, 2021, City Council approved Resolution 2021-50 accepting an award for coronavirus Local Fiscal Recovery Funds to Non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development.

BACKGROUND:

PCR – Senior Exercise Program

The Aleutian Pribilof Islands Association (APIA) partnered with the Department of Parks, Culture and Recreation (PCR) to develop a senior exercise program, held at the Unalaska Senior Center. APIA received a grant to fund the program and is working with PCR to provide an instructor. PCR requests a budget amendment to allocate an additional \$7,200 to 01023251-51200 (Temporary Employees) to hire the instructor for this program. This \$7,200 reflects the amount of money APIA received to fund the personnel portion of the program.

PCR will invoice APIA for the hours worked by the instructor and we will receive reimbursement for those hours up to the \$7,200 outlined in the APIA grant. The result is \$0 net loss to the city, and gives PCR the ability to provide a much-needed senior exercise class in cooperation with APIA. The program will end when the grant funds are exhausted.

The program was successful, with funding from APIA. Due to the COVID-19 pandemic and the inability to offer regular instructor led classes in FY21, this funding request was not made in 2020.

Public Safety and Fire Personnel Costs

PSEA represents the following Public Safety and Fire positions: Police Sergeants, Communication Sergeant, Corrections Sergeant, Fire Captains, Fire Fighters, Corrections Officers, Communications Officers, Police Officers, Animal Control Officer and DMV Agent. Every 3 years, the City and PSEA enter contract negotiations to agree upon a CBA for a new 3-year term. The recently approved agreement is effective July 1, 2021 through June 30, 2024. PSEA and City Staff completed negotiations the week of April 5, 2021.

ARPA Funding

On March 11, 2021, Congress passed the federal act known as the American Rescue Plan Act of 2021. The Act is a \$1.9 trillion coronavirus rescue package designed to facilitate the United States' recovery from the devastating economic and health effects of the COVID-19 pandemic. A portion of the package (\$350,000,000,000) is to be distributed to cities, states, tribal governments and U.S. Territories.

Communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of ARPA funds. Communities will be required to reimburse the State for any misspent funds.

The City has submitted all required paperwork to the State in order to receive the first tranche of funding (\$534,925) in the next week or two. The second tranche will be received at approximately the same time in 2022. The delay in receiving the second tranche does not prohibit the City from committing the entire amount through a spending plan, but will not be reimbursed until the second tranche has been received.

DISCUSSION:

PCR – Senior Exercise Program: This amendment to the FY22 budget allows for \$7,200 to pay the Instructor for the Senior Exercise Class held twice a week at the Senior Center. This will be supported with funding from APIA, also addressed in the amendment.

Public Safety and Fire Personnel Costs: This amendment to the FY22 budget is to account for the new CBA with PSEA. The final CBA was developed in accordance with Council direction. The PSEA CBA was ratified by PSEA members on May 7, 2021, and signed on May 18, 2021. City Council approved the CBA on May 25, 2021.

ARPA Funding: This amendment to the FY22 budget will create a budget for the Coronavirus Relief special revenue fund for the entire amount of the grant award and the anticipated expenditures.

The City's costs related to COVID-19 have largely been encountered. It is our anticipation that future related costs will include lease and maintenance of the isolation site, which is expected to be operational through the end of 2021, and personnel costs for temporary hires to meet incoming flights.

In July 2021, the City was notified that the State has discontinued the PCE program, at least for the short term, formally reducing the PCE rate to \$0.00 effective July 1, 2021. This move directly increases electricity bills for community residents, the City and IFHS. Previously, staff determined that City residents would benefit from the receipt of a utility credit, and the need for that credit is even greater today. Should PCE not be reinstated, the impact to the City for FY22 would be approximately \$300,000, most likely resulting in a budget amendment in early 2022. If Council wishes to proactively appropriate funding for the impact to the City as a result of the elimination of PCE credits, the budget amendment would require revision. If that is the case, staff recommends reducing the utility credit portion to \$573,618 and increase each departmental budget to compensate for the loss of PCE credit. Staff has not yet made that calculation; however, it would be available for the second reading and adoption of the ordinance.

The City has established agreements with processors to continue operating the isolation site and will collect \$300 per person, per night stay at the isolation site. The amount collected will not fully offset the anticipated costs of keeping the site operational. However, it will offset a portion of the costs, with the remaining costs to be covered by ARPA funding.

Given the significantly reduced amount, compared to CARES funding, staff has determined that the most streamlined approach of administering the funds is to:

- Cover the net costs of the Isolation site from September to December 2021 (\$64,000)
- Fund personnel costs related to two temporary hires; they currently meet incoming flights, informing passengers of City COVID-19 policies and obtain contact tracing information (\$82,232)
- Provide utility credits to residential customers in a similar manner to the CARES funding (\$873,618)
- Complete upgrades to the EOC to make the facility more easily scaled and improve our ability to handle all Emergency Operations (\$50,000)

ALTERNATIVES: Council can approve the budget amendment as presented, alter it, or decide not to approve it. Lack of approval would result in PCR cancelling the Senior Exercise Program, Public Safety and Fire exceeding their FY22 personnel budgets and the City not receiving the benefit of ARPA funds.

FINANCIAL IMPLICATIONS:

PCR – Senior Exercise Program: Appropriates \$7,200 for personnel costs to PCR for the FY22 operating budget, while also recognizing revenue in the same amount.

Public Safety and Fire Personnel Costs: Appropriates a \$137,773 to Public Safety for personnel costs and \$60,111 to Fire for personnel costs for the FY 2022 operating budget.

ARPA Funding: Appropriates \$1,069,850 of funding for the City's coronavirus relief efforts and recognizes revenue in the same amount.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval of Ordinance 2021-15.

PROPOSED MOTION: I move to schedule Ordinance 2021-15 for second reading and public hearing on August 24, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.