
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: June 15, 2020
Re: CARES Act Overview

SUMMARY: The City of Unalaska is receiving CARES Act funding. Council has requested a special meeting to discuss the Act and how it might be used to support local businesses. The staff team has been hard at work getting an understanding of the Act and developing a responsible spending plan. Tonight, the team will provide an overview and facilitate a discussion of how local businesses might be supported.

PREVIOUS COUNCIL ACTION: City Council approved Resolution 2020-37 entering into an agreement with the State of Alaska to receive CARES Act funding. At their June 9, 2020 Council meeting, Council called for a Special Meeting on June 15, 2020 to discuss the CARES Act and the potential for a support program for small businesses.

BACKGROUND: The City will to receive up to \$13,453,952 in CARES Act monies from the Federal Government, passed through the State of Alaska. This will be paid in three installments, with the first having already been received.

A team of staff have been assembled to gain a better understanding of the CARES Act and also develop parameters on how the monies received can be utilized to meet the needs of the City and in the future. In essence, the CARES Act guidance indicates funds should be used for the following purposes:

- Provide grant funding to City residents, businesses and not-for-profits negatively impacted by COVID-19 (Grants)
- Cover the cost associated with the City's response to the Pandemic (Response)
- Cover costs associated with the prevention and anticipation of future COVID-19 related outbreaks (Prevention)

DISCUSSION: As a result of internal meetings and research, the following items, including amount and percentage of total budget, are proposed.

Grants, \$3,363,488 (25%). *Planning Director, Bil Homka will speak to related concepts this evening and gather input by City Council. This will be the focus of tonight's discussion.*

- Grant to Clinic
- Purchase medical equipment for the clinic to assist with their response to this and future outbreaks
- Grants to local not-for-profits
- Grants to local businesses

Response, \$4,036,186 (30%). *The City of Unalaska incurred expenses associated with responding to this public health emergency, and these funds will address those expenses.*

- Personnel costs associated with response
- Goods and services costs associated with response
- Improved technology so employees can work from home
- Cancel library construction contract
- Increased legal and insurance costs
- Preparation of and continued cleaning of the quarantine site
- Stretchers for EMS

Prevention, \$6,054,278 (45%). *The City of Unalaska provides essential services to the community as a whole. This funding will help to ensure the health and safety of our workforce so that we can continue meeting the needs of the community moving forward.*

- Public Safety personnel costs through December 30, 2020
- Improved technology so employees can work from home
- Backup generators for certain public buildings
- Replace old and outdated first responder radio equipment
- Update certain information technology to reduce foot traffic in the City Hall in prevention of future outbreaks
- Install cardlock system in City buildings to reduce foot traffic and prevent future outbreaks
- Improve Council Chambers to better allow for social distancing
- Improver airflow and air cleaning in City buildings
- Update and improve the City's Emergency Operations Center
- Engineering designs of the new Public Safety Building
- Engineering designs in converting public safety building to Fire only

ALTERNATIVES: A vast number of alternatives exist, but spending would need to be done in accordance with the Treasury Guidelines. Staff is open to feedback.

CITY MANAGER COMMENTS: Thank you for this opportunity to discuss this important and complex issue. Staff requests your feedback and direction on the CARES Act spending and how local business might be supported in these challenging times.

ATTACHMENTS:

- Coronavirus Relief Fund FAQ
- Federal Coronavirus Relief Fund Guidance