

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-50

A RESOLUTION OF THE UNALASKA CITY COUNCIL ACCEPTING CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS AWARD TO NON-ENTITLEMENT UNITS OF LOCAL GOVERNMENTS FROM THE ALASKA DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

WHEREAS, the City of Unalaska wishes to provide the above described funds for the community of Unalaska; and

WHEREAS, the City of Unalaska's total operating budget revenue in effect as of January 27, 2020 was \$70,523,574.

NOW THEREFORE BE IT RESOLVED that the municipality has read and agrees to the federal guidance pertaining to the Recovery Funds, and accepts the Recovery Funds from the Department; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to negotiate and execute any and all documents required for issuing and managing funds on behalf of the City of Unalaska and is also authorized to execute subsequent amendments to said agreement based on the needs of the project.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on June 22, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: June 22, 2021
Re: Resolution 2021-50: Accepting Coronavirus Local Fiscal Recovery Funds Award to Non-Entitlement Units of Local Governments from the Alaska Department of Commerce, Community and Economic Development

SUMMARY: The City has been informed that they are eligible to receive approximately \$1,069,850 in Rescue Act monies from the Federal Government, passed through the State of Alaska. Prior to distributing funds to the City of Unalaska, the State has requested that the City approve a resolution accepting the monies and authorizing the City Manager to enter into the agreement with the State.

PREVIOUS COUNCIL ACTION: N/A

BACKGROUND: On March 11, 2021, Congress passed the federal act known as the American Rescue Plan Act of 2021 (Rescue Act). 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.

Early documentation indicated the City would receive approximately \$2,000,000, which was later reduced to the amount included in this memo (\$1,069,850). However, the most recent information from the State does not include a specific amount to be received as it will be based on State of Alaska appropriations.

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

Payments will be received by the City in two equal tranches. The first tranche is expected within the next month or two, with the second to be received one year later. 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: A majority of the City's COVID-19 response and prevention related costs have already occurred and we do not anticipate a great deal more under the current risk levels and state of the pandemic. Therefore, it is our anticipation that future COVID-19 related costs will be specifically related to the availability and maintenance of the isolation site, which is expected to continue through the end of 2021.

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

- Cover net costs associated with operating the isolation site through December 31, 2021;
- Provide utility credits to residential customers in a similar manner to the CARES funding; and
- Cover payroll costs for temporary employees placed specifically for COVID-19 reasons.

The City has implemented a cost tracking mechanism to capture these costs. Once the final amount of the award is known, staff will prepare and present a budget amendment to Council for consideration.

ALTERNATIVES:

1. Council could elect to not agree to the terms of the grant agreement and forfeit the opportunity to recover costs incurred as a result of the City's efforts in responding to the COVID-19 pandemic; or
2. Council could approve the resolution as presented and accept the Rescue plan funding.

FINANCIAL IMPLICATIONS: Final award amount is still to be determined.

LEGAL: We will request legal review of the final agreement once that is received.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-50.

CITY MANAGER COMMENTS: I support staff's recommendation.