

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-73

A RESOLUTION OF THE UNALASKA CITY COUNCIL ACCEPTING AMENDMENT #1 TO THE
CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS AWARD AGREEMENT

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

WHEREAS, the municipality total operating budget revenue in effect as of January 27, 2020 was \$70,523,574; and

WHEREAS, the municipality entered into a grant agreement with the State of Alaska Department of Commerce, Community and Economic Development in the original amount of \$1,069,850; and

WHEREAS, the Unalaska City Council approved Resolution 2021-50 on June 22, 2021 accepting the award and authorized the City Manager to sign related agreements; and

WHEREAS, the municipality has received Amendment #1 to the original agreement, which will provide an additional \$894,688 in coronavirus relief funding to the City of Unalaska.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby accepts the terms of Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award from the State of Alaska and Erin Reinders, City Manager, is also authorized to execute subsequent amendments to said agreement, based on the needs of the grant.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 9, 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: November 9, 2021
Re: Resolution 2021-73: Accepting Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award

SUMMARY: The City received notification of eligibility to receive America Rescue Plan Act (ARPA) funding in the amount of \$894,688. This amount is in addition to the amount previously awarded (\$1,069,850) and is specifically for Non-Units of General Local Governments (Non-UGLG). The current amount is being awarded as an amendment to the original State award. This resolution also includes authorization for the City Manager to sign on behalf of the City accepting the funds. Staff recommends approval.

PREVIOUS COUNCIL ACTION: On June 22, 2021, the Council approved Resolution 2021-50 accepting \$1,069,850 for the Coronavirus Local Fiscal Recovery Funds award to non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development.

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.

In June 2021, the City was awarded \$1,069,850 in Coronavirus Local Fiscal Recovery Funds to non-entitlement units of local governments from the Alaska Department of Commerce, Community and Economic Development. The first tranche of funding was received in August 2021 with the second tranche to be received in 2022.

As with the original grant monies, 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: Resolution 2021-73 formally accepts Coronavirus Local Fiscal Recovery Funds Award to Non-Units of General Local Governments (Non-UGLG) Relief Funds in the amount of \$894,688 for costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Additionally, the resolution authorizes the City Manager to sign amendments to the grant agreement with the State of Alaska Department

of Commerce, Community, and Economic Development; Division of Community and Regional Affairs.

The City's costs related to the COVID-19 have largely been encountered and our current local state of emergency is set to expire at the end of 2021. We anticipate that future related costs will be due to the availability and maintenance of the isolation site, which is expected through the end of 2021. Other related expenses are staffing at the airport to assist with contact tracing forms, additional disinfection at PCR and the airport and attorney consultation as needed. If the state of emergency expires, these activities and related expenses would likely be reduced.

ARPA funding has many different allowable uses and the COVID committee plans to review those uses, including infrastructure type projects in addition to previously discussed allowable uses. Staff will discuss the best use of these funds and bring forth a budget amendment at a future date that provides more detailed information on how the new funds will be used for Council's consideration. As previously communicated, the City has implemented a cost tracking mechanism to capture these costs.

ALTERNATIVES:

1. Council could elect to not agree to the terms of the grant amendment 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 amendment to the original grant agreement.

FINANCIAL IMPLICATIONS: The proposed amendment will provide additional funds to the City for uses to be determined at a later date.

LEGAL: The original agreement was reviewed by one of the city's attorneys, Charles Cacciola. The amendment to that agreement follows all of the same requirements as the original agreement. Therefore, further review is unnecessary.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-73.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: Amendment #1 to American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund (CLFRF)

**AMERICAN RESCUE PLAN ACT (ARPA)
CORONAVIRUS LOCAL FISCAL RECOVERY FUND (CLFRF)
AMENDMENT**

Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs

Non-Units of General Local Government: (Non-UGLG) Local Gov't Name City of Unalaska		NEU Recipient Number: AK0137	Unique Identifier Number: AK0137-N	
CFDA: 21.027	EIN Number 92-0036399	DUNS Number 060037488	Vendor Number: CIU84215	Appropriation Unit: 085601269

Amendment # 1

EFFECTIVE THE DATE SIGNED BELOW THIS GRANT IS HEREBY AMENDED AS FOLLOWS:

1. This Coronavirus Local Fiscal Recover Fund distribution is modified to include an increase of **\$894,688.44** as reflected below:

	CLFRF to NEU	Additional CLFRF to Non-UGLG	TOTAL CLFRF Amount:
ARPA Funds:	\$1,069,850.42	\$894,688.44	\$1,964,538.86

2. The city's first payment will be half of the Coronavirus Local Fiscal Recovery Fund to Non-Units of General Local Government (Non-UGLG), this allocation will be using the Unique Identifier Number identified above.
3. By signing this amendment, the city agrees to US Department of Treasury's reporting requirements, which must include the combined funding received under the program including ARPA, NEU and Non-UGLG Coronavirus Local Fiscal Recovery Funds.

**ALL OTHER TERMS AND CONDITIONS OF THE GRANT AGREEMENT REMAIN IN
FULL FORCE AND EFFECT.**

Non-Units of General Local Government	Department
Signature:	Signature:
Printed Name and Title of Authorized Representative: Erin Reinders, City Manager	Printed Name and Title: Pauletta Bourne, Grants Administrator III
Date:	Date: