
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: CARES Act Spending Review

SUMMARY: The City of Unalaska received CARES Act funding in the amount of \$13,453,952, of which approximately \$18,000 remains unspent or unencumbered as of October 31, 2021. It is staff's expectation that the remaining funds will be spent prior to the expiration of the award, December 31, 2021. The presentation tonight provides a review of how monies were spent, including the thought process behind each project or large purchase.

PREVIOUS COUNCIL ACTION: City Council discussed CARES Act funding and use of such funds in several work sessions, special meetings and meeting. Below is an overview of the formal action that Council has taken related to CARES Act.

On March 24, 2020, Council approved Resolution 2020-17 requiring certain quarantine measures, closure of non-essential businesses and requiring residents to hunker down and stay at home as much as possible.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that were for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On June 26, 2020, Council approved Resolution 2020-42 establishing the formula to calculate pre-application amounts to be available to nonessential businesses that were forced to close due to COVID-19.

On July 14, 2020, Council approved Resolution 2020-46 establishing formulas to be used in awarding the Unalaska CARES grant funds for local businesses and non-profit organizations who experienced economic impacts due to COVID-19.

On July 14, 2020, Council approved Resolution 2020-47 establishing allocations of CARES Act spending as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arose; if not used for grant purposes prior to September 30, 2020, this amount became available to address any other of the City's response and prevention efforts (\$1,345,395)

On September 22, 2020, City Council approved Resolution 2020-60, establishing a utility credit for Unalaska PCE eligible utility customers in the amount of \$2,070 per eligible customer, distributed on each eligible customers' September, October and November 2020 utility bills.

On October, 27, 2020, Council approved Resolution 2020-67 approving additional CARES Act funding to Iliuliuk Family & Health Services Clinic (IFHS) (\$400,000), the Unalaska City School District (\$500 per student), the Ballyhoo Lions Club (\$63,645) and community flu shots administered by the IFHS clinic (not to exceed \$10,000).

On December 22, 2020, Council approved Resolution 2020-78 providing relief to certain restaurants and bars for December 2020 in the amount of \$30,000 each; total of \$270,000.

BACKGROUND: On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

Alaska received \$1,250,000,000 from the CRF, of which \$13,453,952 was awarded to the City of Unalaska for mitigation and recovery efforts related to COVID-19.

Upon receipt of CARES funds, a staff CARES committee was established in order to determine how best to utilize these funds. Staff developed parameters on how the monies received would be utilized to meet the current needs of the City and in the future. Together, we monitored and adapted to the changing grant requirements and Treasury Department guidance with the help of AML, our attorneys and our lobbyists.

During each meeting, especially early on in the pandemic, the following criteria were discussed as committee members wanted to ensure that all grant-associated costs met the CARES Act guidance as shown below:

- 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)

Council provided significant guidance with respect to their views on how the monies would best benefit the community. This was communicated to Staff both through formal resolutions and work session discussions. Over the course of these meetings and work sessions, staff took the time to outline intended uses of the funds and then adjusted our approach based on Council feedback and direction.

Since inception, this committee has met more than 40 times, encompassing hundreds of hours of staff time. Beginning in August 2020, the committee was provided with a CARES spending report that essentially detailed how monies were used and what amounts remained.

Initially, meetings were scheduled weekly in an effort to identify the broad parameters of spending and initiate those efforts. This was a significant undertaking and often included non-committee members identifying needs within their departments to ensure that their specific needs were met through the use of CARES monies. The meetings also allowed staff to identify and track larger purchases, whether a single purchase or an ongoing project.

In the last few months, the focus of the committee has shifted to tracking progress and making decisions with respect to other grant funding sources, such as the State vaccination grant and ARPA. However, the focus of the group has always been on how best the community as a whole could benefit from the CARES monies.

DISCUSSION: As a result of the treasury guidance, City Council direction and feedback, the evolving understanding of and response to COVID-19, and committee meetings, several items were identified for use of the CARES monies.

On a macro level, the overall spending plan approved by Council and the result at this point is outlined below. As you can see, the funding provided directly to the community exceeded the target amount and the City used less than what was allowed.

USE	COUNCIL DIRECTION	CURRENT STATUS
Grants to support Businesses and Non-Profit Organizations (Community Support)	40% (\$5,381,581)	57% (\$7,507,795)
City's Response and Prevention (including qualifying project, purchases, administrative and personnel costs)	50% (\$6,726,976)	43% (\$5,700,531)
Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts	10% (\$1,345,395)	

The attached document provides an overview of CARES Act spending by Fiscal Year, as such spending has spanned FY 20, 21 and 22. The more significant items are mentioned below and their respective categories on the following pages, particularly as they related to the City's expenditures outside of direct community support. The pie chart provides a visual for the CARES Act spending breakdown.

Community support – This area resulted in the greatest amount of CARES Act spending, accounting for \$7,507,795 or 57% of the total grant award. Included in this amount are the following:

- Support to local businesses \$4,408,611
- Support to the Iliuliuk Family and Health Services Clinic 1,400,000
- Utility credits to local residents 928,740
- Payments to local not-for profit organizations 473,478
- Support to Unalaska City School District 206,500

Personnel Costs – This resulted in \$3,418,813 of CARES Act spending or 26% of the total fund used.

- **Public Safety personnel costs** – The CARES Act guidance was clear that all public safety activities were presumptively to mitigate the spread of COVID-19; therefore, public safety personnel costs were considered an allowable expense. Since the initial information indicated that the period of performance would expire on December 31, 2020, the CARES committee determined that it was necessary to reclassify public safety personnel costs from March 1, 2020 to June 30, 2020 in order to ensure all of the monies would be spent prior to grant expiration.
- **Personnel costs as a result of stay home and hunker down orders** – In April, May and December 2020, certain non-essential staff were ordered to stay home and hunker down as a result of COVID-19 concerns. It was determined that this was in the best interest of the City and the employee in order to limit any potential exposure to and spread of COVID-19. It is important to note that this was before the vaccine was available.

Projects and Large Purchases - This has resulted in \$1,097,200 of CARES Act spending or 8% of the total funds used.

- **Improve airflow and air cleaning in City buildings** – Improved airflow and filtration help prevent/reduce the spread of any future airborne illness.
- **Install and implement electronic timekeeping** – Electronic time keeping software to minimize the amount of physical contact with personnel and reduce the amount of paper documents passed among employees, minimizing the potential exposure to COVID-19
- **Computer aided mass assessment** – Municipal Assessment Record System to electronically store property data that limits face to face interaction between assessor, city staff and residents, thus reducing the risk of transmission of COVID-19. The software also allows a more seamless billing and record update process.
- **Improve Council Chambers to better allow for social distancing** – Upgrades make it easier to see information presented at meetings when broadcast on KUCB reducing the need for community members to attend in person. In person attendees can also sit further away and socially distance, while still being able to see materials. The improvements allow for a better viewing experience, whether in person or virtual.
- **Backup generators for certain City locations** – Continuous electrical service is critical to effectively operate technology in and around the City; power loss while employees are on-site or working remotely (in the case of a health crisis, for example) would prohibit an employee to effectively complete their job tasks; furthermore, backup generation will also provide stability in radio communications during public emergencies.
- **Turnout gear** – An additional set of turnout gear provide the Fire Department a clean set of turnout gear in case of exposure.

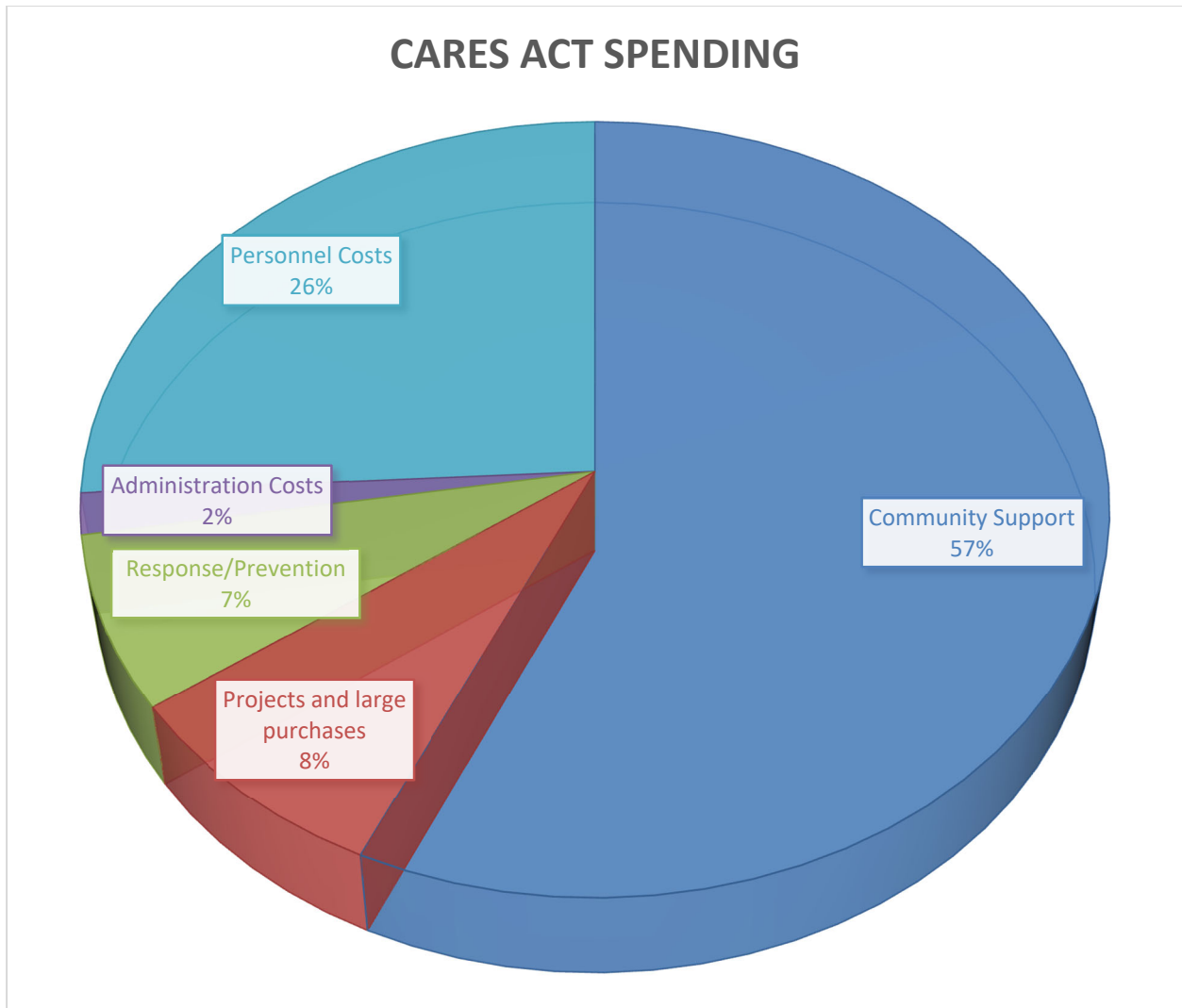
Response/Prevention – This has resulted in \$957,205 of CARES Act spending or 7% of the total funds used.

- **Procurement and maintenance of an isolation site** – Early guidance recommended that the City have an isolation site in order to limit exposure to City residents from individuals that had contracted COVID-19. Costs to operate the isolation site through October 31, 2021 total approximately \$540,000 and include lease, utilities, cleaning and maintenance.

- **Library construction contract cancellation** – The general contractor had begun to mobilize their equipment when the pandemic hit. However, it was determined that the most prudent approach, given the uncertainty, was to not proceed with the contract. Therefore, the contract was cancelled for convenience, resulting in a cost of \$223,662.

Administrative - This has resulted in \$227,313 of CARES Act spending or 2% of the total fund used.

- **Improved Internet bandwidth** – Increased City Internet bandwidth provides a more reliable experience for internet dependent platforms and programs (such as ZOOM) and employees can more easily work from home, if that need arises, particularly in the case of a public health emergency.



FINANCIAL IMPLICATIONS: As of October 31, 2021, the City has spent \$13,208,327, encumbered \$208,844 and \$18,086 earmarked for projects, leaving \$18,695 remaining. The committee is confident these monies will be spent prior to the end of the grant period, which is December 31, 2021. A more detailed listing of costs, by fiscal year, is included as an attachment.

LEGAL: N/A

STAFF RECOMMENDATION: N/A; this is an informational report only.

PROPOSED MOTION: N/A; this is an informational report only.

CITY MANAGER COMMENTS: Thank you to Council for your direction along the way and thank you to City Staff for your attention to detail to ensure funds were used in responsibility.

ATTACHMENTS:

- Detailed spending report
- Resolutions and Council Memos related to previous CARES Act action listed in the Previous Council Action section of this memo
 - Resolution 2020-37
 - Resolution 2020-42
 - Resolution 2020-46
 - Resolution 2020-47
 - Resolution 2020-60
 - Resolution 2020-67
 - Resolution 2020-78

CARES Spending
by Fiscal Year

	FY20	FY21	<i>through 10.31.21</i> FY22	TOTAL
Community Support				
Planned				
Payments to local businesses	-	4,408,611.03	-	4,408,611.03
Support payments to Clinic	-	900,000.00	-	900,000.00
Rent and utility credits to airport businesses	-	81,929.79	-	81,929.79
Payments to local not-for-profits	-	473,477.73	-	473,477.73
Payment to School District	-	206,500.00	-	206,500.00
Utility Credit to City residents	-	928,740.00	-	928,740.00
Payments to IFHS for community flu clinics	-	572.25	-	572.25
Subtotal Planned Community Support	-	6,999,830.80	-	6,999,830.80
Unplanned				
Emergency funding to Clinic	500,000.00	-	-	500,000.00
Reimburse travel costs for passengers on cancelled Tustumena sailing	7,964.46	-	-	7,964.46
Subtotal Unplanned Community Support	507,964.46	-	-	507,964.46
Projects				
Improve airflow and air cleaning in City buildings	-	207,007.39	-	207,007.39
Electronic timekeeping system	-	91,713.00	6,780.94	98,493.94
Computer aided mass assessment	-	131,330.00	-	131,330.00
Council Chambers social distancing Improvements	-	72,089.60	-	72,089.60
Backup generation	-	303,550.48	-	303,550.48
Emergency Operation and mitigation plan	-	43,970.35	-	43,970.35
Subtotal Projects	-	849,660.82	6,780.94	856,441.76
Large Purchases				
PCR Copier	-	10,444.40	-	10,444.40
Hypo-acid generator – PCR	19,275.00	-	-	19,275.00
Lucas Chest Compression System (2)	19,943.80	19,943.80	-	39,887.60
Turnout Gear (Fire)	-	114,372.45	-	114,372.45
Electrostatic Sprayers	-	56,778.73	-	56,778.73
Subtotal Large Purchases	39,218.80	201,539.38	-	240,758.18
Response/Prevention				
Isolation Site	10,949.83	394,231.22	136,855.08	542,036.13
PPE/Plexiglass/physical improvements	45,061.08	103,456.95	(440.60)	148,077.43
Wastewater sampling	-	36,133.18	(63.69)	36,069.49
Cancellation of library construction contract	223,662.13	-	-	223,662.13
Testing Site	2,377.61	3,196.45	-	5,574.06
RAVN Fuel Truck Lease (expenses that exceeded revenues)	1,785.72	-	-	1,785.72
Subtotal Response	283,836.37	537,017.80	136,350.79	957,204.96
Administration Costs				
Telephone/Fax/Internet	25,123.97	82,815.71	-	107,939.68
AML Support	29,148.00	-	-	29,148.00
Legal	52,874.50	30,364.50	6,986.50	90,225.50
Subtotal Admin	107,146.47	113,180.21	6,986.50	227,313.18
Personnel Costs				
Costs associated with EPSL and EFMLA	-	184,376.18	-	184,376.18
Costs incurred as a result of City Closure, employee close contact	1,208,547.79	181,747.16	-	1,390,294.95
Public Safety personnel (3/1/20 to 6/30/20)	1,238,494.01	-	-	1,238,494.01
Response related personnel	288,278.67	258,394.43	-	546,673.10
Temp Firefighter positions (meeting planes at Airport)	-	28,351.76	30,623.31	58,975.07
Subtotal Personnel	2,735,320.47	652,869.53	30,623.31	3,418,813.31
Total	3,673,486.57	9,354,098.54	180,741.54	13,208,326.65

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-37

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN A GRANT AGREEMENT WITH THE STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT AND ACCEPTING CORONAVIRUS RELIEF FUNDS IN THE AMOUNT OF \$13,453,952 FOR COSTS THAT ARE FOR NECESSARY EXPENDITURES INCURRED DUE TO THE PUBLIC HEALTH EMERGENCY WITH RESPECT TO THE CORONAVIRUS DISEASE 2019 (COVID-19)

WHEREAS, the COVID-19 pandemic has generated a public health emergency within the State of Alaska and the City of Unalaska; and

WHEREAS, in an effort to prevent the spread of COVID-19 within the City of Unalaska, the City has, and will continue to, encounter costs that were not included in the City's approved fiscal year 2020 budget as of March 27, 2020; and

WHEREAS, the Department of Treasury has made available monies to the State of Alaska to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the Unalaska City Council wishes to receive the above described funds for the Community of Unalaska; and

NOW THEREFORE BE IT RESOLVED that the City of Unalaska accepts Coronavirus Relief Funds in the amount of \$13,453,952 from the Alaska Department of Commerce, Community and Economic Development


NOW THEREFORE BE IT FURTHER RESOLVED that the City of Unalaska authorizes the City Manager to sign a grant agreement with the State of Alaska Department of Commerce, Community and Economic Development; Division of Community and Regional Affairs.

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



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: May 26, 2020
Re: Resolution 2020-37: Authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to the coronavirus disease 2019 (COVID-19)

SUMMARY: The City has been informed that they are eligible to receive up to \$13,453,952 in CARES 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 sign a grant agreement with the State.

PREVIOUS COUNCIL ACTION: The Mayor declared a state of emergency on March 15, 2020, and City Council ratified this declaration of emergency on March 18, 2020. On April 2, 2020, City Council adopted an Emergency Budget Amendment related to COVID-19, including funding for emergency protective measures, an emergency food program and a grant to the IFHS Clinic. Council is currently in the processes of converting this Emergency Budget Amendment to a Regular Budget Amendment which now includes funding associated with the quarantine site and fuel truck. The CARES Act funding is one way to recoup some of these expenses, and other response efforts related to the public health emergency and its economic impacts.

BACKGROUND: On March 27, 2020, Congress passed the federal act known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for, “necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)”.

Alaska has received \$1,250,000,000 from the CRF and will direct \$257,548,754 to communities for mitigation and recovery efforts based on population as distributed through the community assistance program, per AS 26.60.850-879.

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

Payments will be made as soon as possible in FY2020 to ensure communities have access to the resources needed to respond to the COVID-19 public health emergency

DISCUSSION: The City has incurred and will continue to incur costs related to the COVID-19 pandemic. The Federal government has provided monies to the State, which are to be passed through to the City to help offset certain of those costs. The City has implemented a cost tracking mechanism to capture these costs associated with our response efforts.

Additionally, staff has discussed various ways in which the City could most likely benefit from these funds, and while nothing has been formalized, it is our hope and expectation that the full amount of the funds will be used responding to the current pandemic as well as implementing preventative measures for City employees and residents on a go forward basis. Some specific items we have identified include:

- Cost to cancel the construction contract for the Library remodel
- Grant provided to the Clinic in April 2020
- Police and Fire personnel costs from March 27, 2020 through December 30, 2020
- Purchase a backup generator for City Hall to protect the City's data during an extended power outage

More broadly, staff has discussed utilizing the CARES Act funding in the following manner:

- Provide grants to not-for-profit organizations and local small businesses that have been negatively impacted by the COVID-19 pandemic and the related economic fallout
- Improve the City's technological capabilities in an effort to reduce the need for in person contact, increase efficiencies, reduce reliance on paper, and minimizing the risk of spreading viruses
- Improvements to the Emergency Operations Center
- Space modifications to City buildings and work spaces to minimize the risk of future transmission of any viruses

Staff will continue to research and brainstorm potential uses of the CARES Act funding but also welcomes Council assistance in identifying areas where these funds could provide the greatest benefit to City employees and City residents.

Staff has also spent time investigating the FEMA Public Assistance (PA) Program, which will provide reimbursement for specific costs, albeit they are also covered by the CARES Act. While the PA Program provides reimbursement, the scope is much narrower than the CARES Act and demands more detailed information regarding each expenditure. It is our intent to utilize the program for specific items, although none have been identified as of yet.

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
2. Council could approve the resolution as presented and accept the CARES Act funding

FINANCIAL IMPLICATIONS: It is unclear at this time when the City will receive CARES Act funds. However, Council's action tonight will begin that process. Additionally, guidance indicates that there will be three distributions and the City must expend at least 80% of each distribution must be spent prior to receiving the next installment.

It is staff's intent to identify additional specific uses of the funds in the next few months, which will require at least one future budget amendment, but most likely two or three.

LEGAL: Charles Cacciola has reviewed the agreement, which is standardized for all entities receiving CARES Act funds. He was not hopeful that the State would be open to negotiating terms. He noted that it is still not clear as to whether the program will be treated as a State of

Alaska program or a Federal program, passed through the State of Alaska. The distinction between the two types of treatment will determine how the program is administered slightly. Federal guidelines provide more complexity and can be more burdensome.

He also noted that the program documents indicate that up to 10% can be held back until all the compliance requirements have been met, which could expose the City to the risk, although minimal, that those funds will no longer be available to draw once the compliance requirements have been met.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to approve Resolution 2020-37.

CITY MANAGER COMMENTS: I support the recommendation for approval. The details on how the CARES Acts will work in practice continue to evolve. We just we heard from AML that the State may be open to removing the provision in the agreement allowing for the State to withheld 10% of the funds for a time. We will work to have this section removed if possible.

ATTACHMENTS: Proposed Grant Agreement.



**DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
DEVELOPMENT
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS**

**CORONAVIRUS RELIEF FUND
Grant Agreement**

Grant Agreement Number		Vendor Number		Amount of Federal Funds	
GAE	Appropriation Unit	Lapse Date	Project Title Section 601(a) of the Social Security Act as added by Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136)		
Grantee			Department Contact Person		
Name			Name Lynn Kenealy		
Street/PO Box			Title Local Government Specialist		
City/State/Zip			Street/PO Box 550 West 7th Ave, Suite 164		
Contact Person			City/State/Zip Anchorage, AK 99501		
Phone		Fax		Phone 907-269-8122	
				Fax 907-269-	
Email			Email ResourceDesk@alaska.gov		

AGREEMENT The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **Insert Name of Locality** (hereinafter 'Grantee') agree as set forth herein.

Section I. The Department shall pay the Grantee the identified amounts under the terms outlined in this Agreement. The amount of the payment is based upon expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$ Insert total amount of grant.**

Section II. The Grantee shall only use the funds provided under this Agreement to reimburse itself, or to pay necessary expenses incurred, as a result of the public health emergency stemming from the Coronavirus Disease 2019 (COVID-19).

Section III. The Grantee may only use the funds provided under this Agreement for expenses that were not accounted for in its most recently approved budget as of March 27, 2020; and that were incurred during the period of March 1, 2020 and December 30, 2020. Unexpended funds must be returned to the State on or before March 30, 2021.

Section IV. The Agreement consists of this page and the following:

<p style="text-align: center;"><u>ATTACHMENTS</u></p> <p>Attachment A: Scope of Work</p> <p>Attachment B: Payment Method</p> <p>Attachment C: Standard Provisions</p>	<p style="text-align: center;"><u>AMENDMENTS</u></p> <p>Any fully executed amendments to this Agreement</p> <p style="text-align: center;"><u>APPENDIX</u></p> <p>Appendix A: State Laws and Regulation</p>
--	---

Grantee	State of Alaska Approvals
----------------	----------------------------------

Signature	DCEED Signature
Printed Name and Title	Printed Name and Title
Date	Date
	OMB Signature
	Printed Name and Title
	Date

Reviewed by: _____

Attachment A Scope of Work

1. Authorized Use of Grant Funds

The purpose of the grant funds is to provide Grantee with funding available under Section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Expenditures must be used for actions taken to respond to the public health emergency declared by the Governor on March 11, 2020. Such actions may include expenditures incurred to allow Grantee to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Grant payments may be used only to cover costs that were not accounted for in the Grantee’s budget most recently approved as of March 27, 2020. A cost meets this requirement if either: (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the Grantee, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by the Grantee in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account. A cost is “incurred” when the Grantee has expended funds to cover the cost.

Expenditures using Fund payments must be “necessary.” Funds provided to Grantee as a direct payment from the State of Alaska pursuant to this grant agreement must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. Any funds expended by a political subdivision or its grantee(s) in any manner that does not adhere to official federal guidance shall be returned to the State of Alaska.

Any funds provided pursuant to this grant agreement cannot be used as a revenue replacement for lower than expected tax or other revenue collections.

Funds received pursuant to this grant agreement cannot be used for expenditures for which a local government entity has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

2. Grant Budget

Payment Allotments	Payment Amounts
Payment 1	
Payment 2	
Payment 3	
Total Grant Funds	

3. Grant Management

Signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the chief administrator. For grants appropriated to a municipality, the mayor is the chief administrator unless the municipality operates a managerial form of government; then the city manager/administrator acts as the chief administrator. For unincorporated communities, the highest- ranking official will act as chief administrator.

The chief administrator may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The chief administrator also designates financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the Grant and any balance of funds under the Grant. It may also result in the Grantee being required to return such amounts to the State.

4. Reporting

The Grantee shall submit a completed COVID-19 Expenditures by Community Report Form provided by the Office of Management and Budget each month, during the life of the Grant Agreement. COVID-19 Expenditures by Community Report Forms are due to the Office of Management and Budget thirty (30) days after the end of the month being reported. The report period is the first of the month through the last day of the month. The final COVID-19 Expenditures by Community Report must be submitted within thirty (30) days following completion of the grant.

Attachment B Payment Method

1. Advance Payment

Payments will be made to Grantees in advance of demonstrated need to respond to the public health emergency in three separate payments. Second and third payments will only be made when at least 80% of the prior payments have been expended. Payments by the State of Alaska to Grantee do not constitute approval of funds expended by Grantee. By making payment to Grantee, the State of Alaska makes no representations, express or implied, that Grantee has complied with the federal requirements governing Coronavirus Relief Funds.

Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

2. Withholding of Ten Percent (10%)

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this Grant Agreement, including all required reporting of the project.

Attachment C

Standard Provisions

Article 1. Definition

“Department” refers to the Department of Commerce, Community, and Economic Development with the State of Alaska.

Article 2. Indemnification

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney’s fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.

Article 3. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute this Grant Agreement by signing the Grant Agreement document. The Grantee’s relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

Article 4. Waivers

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department’s failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

Article 5. Access to Records

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement.

Article 6. Reports

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

Article 7. Retention of Records

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

Article 8. Assignability

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or novation).

Article 9. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

Article 10. Program Income

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

Article 11. Amendments and Modifications

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

Article 12. Recordkeeping

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to grant performance and efforts to comply with the provisions of the Grant Agreement.

Article 13. Obligations Regarding Third-Party Relationships

No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

Article 14. Conflict of Interest

No officer or employee of the Department; no member, officer, or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the Grant is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the Grant during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

Article 15. Political Activity

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

Article 16. Notices

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

Article 17. Prohibition Against Payment of Bonus or Commission

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Article 18. Termination by Mutual Agreement

This Grant Agreement may be terminated, in whole or in part, prior to the completion of the Grant period when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

Article 19. Termination for Cause

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

Article 20. Withdrawal of Funds

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

Article 21. Recovery of Funds

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the Grant funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

Article 22. Disputes

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

Article 23. Jurisdiction

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

Article 24. Ownership of Project/Capital Facilities

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the operation of the Grant and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the operation of the Grant.

Article 25. Site Control

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

Article 26. Insurance

The Grantee is responsible for obtaining any necessary liability insurance and maintain in force at all times during the performance of this Grant Agreement the insurance policies identified below. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under Alaska Statute AS 21. The Grantee shall require any contractor hired with Grant funds be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

- A. Workers' Compensation Insurance for all employees engaged in work under this Grant Agreement, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements.
- B. Commercial General Liability Insurance covering all business premises and operations used by the Grantee in the performance of this project and Grant Agreement with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where applicable.
- C. Comprehensive Automobile Liability Insurance covering all vehicles used by the Grantee in the performance of this Grant Agreement with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000.00 property damage.
- D. Professional Liability Insurance covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this Grant Agreement which result in financial loss to the State. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$100,000 per occurrence/annual aggregate

Article 27. Subcontracts for Engineering Services

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska.

Article 28. Governing law

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that any permits required under this Grant Agreement by the Federal, State, or Local governments have been obtained.

Article 29. Budget Flexibility

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. .

Article 30. Equal Employment Opportunity (EEO)

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on Grant funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

Article 31. Public Purposes

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

Article 32. Operation and Maintenance

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

Article 33. Assurance

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

Article 34. Current Prevailing Rates of Wage

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Article 35. Severability

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

Article 36. Performance

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any rights under this Grant Agreement.

Article 37. Sovereign Immunity

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

Article 38. Audit Requirements

The Grantee must comply with the audit requirements of the Alaska Administrative Code set forth in **2AAC45.010. AUDIT REQUIREMENTS**. An entity that expends a cumulative or total, equal to the state single audit threshold during the fiscal year is required to have a state single audit. A copy of the most current **2AAC45.010** adopted regulations is available at the Alaska Department of Administration's State Single Audit website: <http://doa.alaska.gov/dof/ssa/index.html>.

Current audit compliance supplements and guides specific to programs under AS 37.05.315 Grants to Municipalities, AS 37.05.316 Grants to Named Recipients, and AS 37.05.317 Grants to Unincorporated Communities can be found at http://doa.alaska.gov/dof/ssa/audit_guide.html.

Article 39. Close-Out

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

Article 40. Americans with Disabilities Act

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

Appendix A

State Laws and Regulations and Permits

Grantees are responsible for all applicable state laws, regulations and permits; including but not limited to the following list which most commonly affects Grantees.

Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

Restriction on Use—AS 37.05.321

A grant, or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section “influencing legislative action” means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant, or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

Historic Preservation Act—AS 41.35

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The Department of Natural Resources may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

Fire Protection—AS 18.70

This chapter of the Alaska Statutes requires the Alaska Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

Procurement Preference for State Agricultural and Fisheries Products—AS 29.71.040

This chapter of the Alaska Statutes applies to municipalities that use state funds to purchase agricultural and fisheries products. The law requires:

1. When agricultural products are purchased, only such products harvested in the state shall be purchased whenever priced no more than seven percent above products harvested outside the state, and of like quality compared with agricultural products harvested outside the state.
2. When fisheries products are purchased, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever priced no more than seven percent above products harvested or processed outside the jurisdiction of the state, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

Alaska Product Preferences—AS 36.15

This chapter of the Alaska Statutes applies to projects financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber and manufactured lumber projects originating in this state from local forests shall be used wherever practicable. The law requires the insertion of this clause in calls for bids and in all contracts awarded.

Permits and Environmental Procedures

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. The law requires the following permits, including others designated by the commissioner. The following list is not intended to be all-inclusive.

- Air Emissions Permit
- Anadromous Fish Protection Permit
- Authorization for Tidelands Transportation
- Brine or Other Salt Water Waste Disposal Permit
- Burning Permit during Fire Season
- Coal Development Permit
- Critical Habitat Area Permit
- Dam Construction Permit
- Driveway Permit
- Encroachment Permit
- Miscellaneous State Land Use Permit
- Mineral and Geothermal Prospecting Permits
- Occupied Tide and Submerged Land
- Open Burning Permit
- Permit for Use of Timber or Materials
- Permit to Appropriate Water
- Pesticides Permit
- Preferred Use Permit
- Right-of-Way and Easement Permits
- Solid Waste Disposal
- Special Land Use Permit
- State Game Refuge Land Permit
- State Park Incompatible Use Permit
- Surface Oiling Permit
- Surface Use Permit
- Tide and Submerged Lands Prospecting Permit
- Tidelands Permit
- Tidelands Right-of-Way or Easement Permit
- Utility Permit
- Waste-Water Disposal Permit
- Water Well Permit

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-42

ESTABLISHING THE FORMULA TO CALCULATE PRE-APPLICATION AMOUNTS TO BE MADE AVAILABLE TO NON-ESSENTIAL BUSINESSES THAT WERE FORCED TO CLOSE DUE TO COVID-19

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska wishes to provide initial financial support to qualifying commercial businesses in Unalaska that have been negatively impacted by COVID-19; and

WHEREAS, the City of Unalaska requested preliminary applications from commercial businesses seeking funds from the Unalaska Cares Grant Program for local businesses; and

WHEREAS, the City of Unalaska's online pre-application portal opened on June 17 at 8:00 a.m. and closed on June 22 at noon; and

WHEREAS, the City Council finds that it is important to immediately provide initial financial support to businesses deemed "non-essential" by State or Local COVID-19 Health Mandates, which businesses were negatively impacted due to COVID-19.

NOW THEREFORE BE IT RESOLVED the Unalaska City Council sets out the following formula by which initial grant amounts are to be calculated:

Business daily gross sales revenue amount
(Based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns)
Multiplied by 80 days (the duration of the required closures for non-essential businesses)
That result then multiplied by 0.50
Result equals the Pre-Application Disbursement

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


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-46

ESTABLISHING THE FORMULAS TO BE USED IN AWARDING THE UNALASKA CARES GRANT FUNDS FOR LOCAL BUSINESSES AND NON-PROFIT ORGANIZATIONS WHO HAVE EXPERIENCED ECONOMIC IMPACTS DUE TO COVID-19.

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska adopted Resolution 2020-42 on June 26, 2020, establishing the formula to calculate pre-application amounts to be available to nonessential businesses that were forced to close due to COVID19; and

WHEREAS, the City of Unalaska is also eligible to use CARES Act funding to prepare for future COVID-19 related response as well as past related expenses;

WHEREAS, based on the information provided about the total number of essential and non-essential business licenses estimated to be on-island, the City Council sets out the following award formulas for non-essential and essential businesses for the March – May, 2020 mandated closure period,

Formula for Non-Essential Businesses

Business daily gross sales revenue amount (based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns); Multiplied by 80 days (the duration of the required closures for non-essential businesses); That result then multiplied by 0.50 Result equals the Disbursement – or the requested amount – whichever is less.

Formula for Essential Businesses

Business daily gross sales revenue amount (based on 2019 filed tax returns; if 2019 is not available then 2018 tax returns); Multiplied by 80 days (the duration of the required closures for non-essential businesses); That result then multiplied by 0.10 Result equals the Disbursement – or the requested amount – whichever is less.

WHEREAS, for the period commencing on June 1 and ending December 31, 2020 all awards to all approved business applicants are to follow the Stratified Schedule that is attached as Exhibit 'A';

WHEREAS, based on the applications received from nonprofit organizations the City Council awards the total sum of \$909,832.73 per the attached Exhibit 'B';

WHEREAS, the deadline for the grant program is set for noon on July 24, 2020 and awards will be issued pursuant to the CARES Act spending plan approved by City Council, or reduced proportionately if the cumulative application requests exceed the spending cap.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the grant program and awarding the amounts of CARES Act funding to approved business applicants per the above.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 14, 2020.



Dennis M. Robinson
Vice Mayor

ATTEST:



Marjie Veeder, CMC
City Clerk



EXHIBIT A

Stratified Schedule

<i>Annual Revenue of Businesses</i>	<i>Funding Support</i>
<\$50,000	\$5,000
\$50,000-\$100,000	\$15,000
\$100,000-\$300,000	\$25,000
\$300,000-\$500,000	\$40,000
\$500,000-\$700,000	\$60,000
\$700,000-\$900,000	\$80,000
>\$900,000	\$100,000

EXHIBIT B

Nonprofit Organization Request Schedule

Non Profit	Contact	Funding Support
<i>Iliuliuk Family and Health Services, Inc.</i>	<i>Melanee Tiura</i>	<i>\$500,000.00</i>
<i>Unalaska Visitors Bureau</i>	<i>Carlin Enlow</i>	<i>\$132,500.00</i>
<i>Unalaska Community Broadcasting</i>	<i>Lauren Adams</i>	<i>\$71,820.00</i>
<i>Unalaska Christian Fellowship</i>	<i>John Honan</i>	<i>\$47,830.56</i>
<i>Museum of the Aleutians</i>	<i>Virginia Hatfield</i>	<i>\$64,495.00</i>
<i>United Methodist Church of Unalaska</i>	<i>Matt Reinders</i>	<i>\$30,500.00</i>
<i>USAFV</i>	<i>M. Lynn Crane</i>	<i>\$21,418.80</i>
<i>Unalaska Senior Citizens</i>	<i>Daneen Looby</i>	<i>\$14,660.92</i>
<i>Alexandria House Inc.</i>	<i>Susan Honan</i>	<i>\$11,657.45</i>
<i>Russian Orthodox Church</i>		<i>\$6,500.00</i>
<i>Saint Christopher by the Sea</i>	<i>Deacon Dan Winters</i>	<i>\$8,450.00</i>
	Total	\$909,832.73

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-47

A RESOLUTION OF THE UNALASKA CITY COUNCIL PROVIDING SPENDING GUIDELINES FOR CARES ACT FUNDS

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds in the amount of \$13,453,952, made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, on June 4, 2020, the City received \$5,477,777 in CARES Act funding and must spend at least 80% to receive the second disbursement; and

WHEREAS, the City must spend all of the first disbursement and 80% of the second disbursement to be eligible to receive the third disbursement; and

WHEREAS, any CARES Act monies received and not spent by December 30, 2020, must be returned to the funding agency; and

WHEREAS, the City has incurred costs in their response to the Coronavirus pandemic and has identified projects to assist in limiting the spread and impact of the Coronavirus; and

WHEREAS, certain projects identified to assist in the future protective measures require lead time for completion.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the following allocations of CARES Act spending:

- Grants to support Businesses and Non-Profit Organizations – 40%
- City's Response and Prevention – 50%
- The remaining 10% shall be set aside for potential grant usage if the need arises. If not used for grants prior to September 30, 2020, the amount becomes available to address any other of the City's response and prevention efforts.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 14, 2020.



Dennis M. Robinson
Vice Mayor

ATTEST:



Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-60

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING A UTILITY CREDIT PROGRAM FOR PCE ELIGIBLE UTILITY CUSTOMERS IMPACTED BY STAY AT HOME ORDERS DUE TO COVID-19

WHEREAS, on March 18, 2020, the City Council passed Resolution 2020-16 declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska remains in effect; and

WHEREAS, on March 24, 2020, the City Council passed Resolution 2020-17 requiring certain quarantine measures, closure of non-essential businesses and requiring residents to "hunker down" and stay at home as much as possible; and

WHEREAS, similar measures protecting public health have remained in effect; and

WHEREAS, the City Council adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, the City of Unalaska is eligible to use CARES Act funding to prepare for future COVID-19 related response as well as past related expenses; and

WHEREAS, due to stay at home and hunker down orders, City residents' need for utility usage has most likely increased.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves a utility credit to PCE eligible utility customers in the amount of \$2,070, to be issued to eligible utility customers through monthly credits of \$690 in September, October and November 2020.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 22, 2020.


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: September 22, 2020
Re: Resolution 2020-60: Establishing a Utility Credit Program for PCE eligible utility customers impacted by Stay at Home orders due to COVID-19

SUMMARY: City of Unalaska residents were negatively impacted financially by stay at home and hunker down orders from March through May 2020 and could potentially be further impacted should the City issue similar orders at some point during the remainder of 2020. This Resolution provides a utility credit to certain customers in an effort to at least partially mitigate the additional financial burden.

PREVIOUS COUNCIL ACTION: On March 18, 2020, Council passed Resolution 2020-16 declaring a local emergency, instructing City residents to stay home and hunker down. These orders were in place through May 2020 through continuing resolutions.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On July 14, 2020, Council approved Resolution 2020-47 establishing allocations of CARES Act spending as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts (\$1,345,395)

BACKGROUND: On March 27, 2020 Congress passed the federal act known as the Coronavirus Aid Relief and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states for "necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)".

The State of Alaska subsequently announced it would distribute CARES Act money to communities throughout the state, and proposed Unalaska would receive \$13,453,952. The money can be used for COVID-19 related expenses or damages resulting from responding to the disease, preparing for the disease, and for assistance to local businesses and residents.

DISCUSSION: As of August 31, 2020, the City’s contribution to local businesses and non-profit organizations totaled \$5,048,444, leaving \$333,137 available, of the original 40% allocated, for Community contributions.

Staff has met regularly to discuss how best to utilize CARES Act monies received by the City. As a result of these discussions, staff has determined that a proper use of these monies would be to provide a utility credit to certain utility customers. The premise behind the credit is that City residents have incurred increased utility costs as a result of the stay at home and hunker down orders issued by Council. Furthermore, there is a chance that, should there be community spread of the coronavirus in the fall of 2020, additional utility costs will be incurred by City residents. As a result, the calculation of the utility credit will cover a nine-month period from March through December 2020.

It was determined that the most appropriate method by which to distribute funds was to provide credits to Price Cost Equalization (PCE) Eligible customers only. PCE is a program established by the Alaska Energy Authority (AEA) in 1985 to provide economic assistance to communities and residents in rural areas of Alaska where, in many instances, the kilowatt hour charge for electricity can be three to five times higher than the average kWh rate. Only residential and community facility customers are eligible for PCE credits and only one PCE credit is allowed per customer. The PCE credit applies only the first 500 kWh consumed. Based on experience, if an electric bill is in the name of a business AEA will not provide PCE credit for that location even though it is a residential service. Furthermore, the ‘one credit per customer’ rule prevents landlords from receiving PCE credit for rental units billed in their names.

As noted above, PCE customers represent residents that are responsible for their electricity bill. While other methods are available, we determined this method provides an avenue by which to provide assistance to community residents that have been negatively impacted by COVID-19. Currently, there are 449 PCE eligible customers in the City of Unalaska.

During our staff discussions, we also determined that implementing a stimulus program for residents would be time consuming to determine eligibility and impose a tremendous burden on staff to administer. The approach included in this memo represented the most cost-efficient method by which we could provide a benefit to residents.

Staff was able to determine that the average monthly residential utility bill is \$230. Based on that, we are presenting three options to Council: issue a utility credit at 50%, 62.5% or 75% of the average monthly residential utility bill. The credit will be issued to eligible customers in equal amounts in each of the remaining 2020 utility bills.

Each option is presented below:

Percentage of average monthly bill	Amount	Total credit provided per eligible customer	Total Cost	Use remaining amount allocated for City contributions?	Amount remaining in contingency
50%	\$115.00	\$1,035.00	\$464,715.00	Y	\$1,213,817
62.5%	\$143.75	\$1,293.75	\$580,893.75	Y	\$1,097,638
75%	\$172.50	\$1,552.50	\$697,072.50	Y	\$981,460

ALTERNATIVES: City Council can choose one of the options above, elect to support residents at a different amount or disapprove the resolution.

FINANCIAL IMPLICATIONS: Each option presented above would allow Council to extinguish the amount allocated for contributions to the City. Additionally, it indicates the amount remaining within the contingency portion of the spending plan.

STAFF RECOMMENDATION: Staff recommends approval of Resolution 2020-60 at an amount equivalent to 50% of the average utility bill for PCE Eligible customers only.

PROPOSED MOTION: I move to adopt Resolution 2020-60.

CITY MANAGER COMMENTS: I support staff's recommendation and appreciate the creative efforts required to bring this proposal forward.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-67

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING ADDITIONAL CARES ACT FUNDING TO ILIULIUK FAMILY & HEALTH SERVICES CLINIC; THE UNALASKA CITY SCHOOL DISTRICT; THE BALLYHOO LIONS CLUB; AND COMMUNITY FLU SHOTS ADMINISTERED BY THE IFHS CLINIC

WHEREAS, on March 18, 2020, City Council passed Resolution 2020-16 declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska Remains; and

WHEREAS, on March 24, 2020, Council passed Resolution 2020-17, requiring certain quarantine measures, closing non-essential businesses and requiring residents to “hunker down” and stay at home as much as possible; and

WHEREAS, similar public health requirements have remained in effect through continuing Resolutions; and

WHEREAS, Resolution 2020-37 adopted on May 26, 2020, accepted Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, Resolution 2020-47 adopted on July 14, 2020, set out spending guidelines for CARES Act funding; and

WHEREAS, the Iliuliuk Family and Health Services has indicated that financial assistance from the City would assist them in meeting community needs during the pandemic; and

WHEREAS, the Unalaska City School District has indicated that financial assistance from the City would allow them to provide a safer and better learning environment for their students; and


WHEREAS, the Ballyhoo Lions Club, a non-profit service organization serving the needs of Unalaska, requested CARES funds in order to continue to serve the citizens of Unalaska; and

WHEREAS, providing flu vaccinations to community members in Unalaska will protect the health of the community, as well as protect and preserve the limited health care resources available on the island during the COVID-19 pandemic.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves CARES Act funding distributions, as follows:

1. Iliuliuk Family and Health Services Clinic - \$400,000
2. Unalaska City School District - \$500 per student
3. Ballyhoo Lion's Club - \$63,645
4. Community flu vaccinations to be administered by the IFHS Clinic and billed to the City of Unalaska, not to exceed \$10,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on October 27, 2020.



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: October 27, 2020
Re: Resolution 2020-67: Approving additional funding to Iliuliuk Family & Health Services Clinic and the Unalaska City School District

SUMMARY: Council expressed its desire to support the school and clinic with a portion of CARES Act funding that falls into the 10% contingency as identified in Resolution 2020-47. The Unalaska City School District and Iliuliuk Family and Health Services would each benefit from additional funding to offset certain additional costs incurred as a result of the COVID-19 pandemic. Resolution 2020-67 accomplishes this, and staff recommends approval.

PREVIOUS COUNCIL ACTION: On March 18, 2020, Council passed Resolution 2020-16 declaring a local emergency, instructing City residents to stay home and hunker down. These orders were in place through May 2020 through continuing resolutions.

On May 26, 2020, Council approved Resolution 2020-37 authorizing the City Manager to sign a Grant Agreement with the State of Alaska DCCED and accepting Coronavirus Relief Funds in the amount of \$13,453,952 for costs that are for necessary expenditures due to the Public Health Emergency with respect to COVID-19.

On June 26, 2020, Council approved Resolution 2020-42 establishing the formula for small business grants.

On July 14, 2020, Council approved Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits.

On July 14, 2020, Council approved Resolution 2020-47 establishing spending allocations of CARES Act funds, as follows:

- 40% Grants to support Businesses and Non-Profit Organizations (\$5,381,581)
- 50% City's Response and Prevention (\$6,726,976)
- 10% Potential grant usage, if the need arises; if not used for grant purposes prior to September 30, 2020, this amount becomes available to address any other of the City's response and prevention efforts (\$1,345,395)

On September 22, 2020, Council approved Resolution 2020-60 establishing the utility credit program for PCE eligible utility customers (estimated cost of \$929,430).

BACKGROUND: On March 27, 2020 Congress passed the federal act known as the Coronavirus Aid Relief and Economic Security Act (CARES Act). Section 601 of this Act established the Coronavirus Relief Fund (CRF) with the stated purpose of distributing \$150,000,000,000 to states

for "necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)".

The State of Alaska subsequently announced it would distribute CARES Act money to communities throughout the state, and proposed Unalaska would receive \$13,453,952. The money can be used for COVID-19 related expenses or damages resulting from responding to the disease, preparing for the disease, and for assistance to local businesses and residents.

As of October 20, 2020, the City has spent or earmarked \$5,977,874 out of \$6,726,976 originally allocated to community support and contingency from the City's CARES Act funding; the remaining amount (\$749,102) is sufficient to provide this funding support.

DISCUSSION: In April 2020, the City approved an emergency payment of community support in the amount of \$500,000 to Iliuliuk Family and Health Services to assist with anticipated additional costs associated with the COVID-19 pandemic, which was funded through the CARES Act. In addition, they were awarded \$500,000 in July 2020 as part of the City's community support grant program. Since that time, the clinic has received additional support from other organizations but anticipates future financial challenges as a result of the pandemic. Through discussions with Melanee Tiura at the Clinic, this additional funding support would help the Clinic with ongoing response efforts and testing capabilities, as well as help offset costs as required for capital improvements. The resolution outlines funding support in the amount of \$400,000 for IFHS.

The Unalaska City School District closed public schools in March 2020 and instituted a home-based learning program for the remainder of the 2019-2020 school year. In order to meet the needs of students, additional costs were incurred to provide an appropriate learning environment and delivery method. Over the summer, the School implemented appropriate social distancing measures to keep students and their families safe while providing an in-person learning program. These new protocols and technical advances came at an additional and unplanned cost. Through discussions with John Conwell, superintendent, this funding support would help offset these costs as well and provide them an opportunity to better meet the needs of students, whose families may have been negatively impacted by COVID-19 related job interruptions. The resolution outlines funding support in the amount of \$300,000 to the UCSD.

ALTERNATIVES: City Council can elect to:

- 1) Approve the resolution as presented.
- 2) Take no action.
- 3) Amend the resolution to add or remove recipients. Council is reminded that they received some requests for funding consideration from businesses and non-profits just prior to the October 13 Council meeting.

FINANCIAL IMPLICATIONS: As presented, this resolution will spend nearly all of the remaining funds originally allocated for community support.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2020-67.

CITY MANAGER COMMENTS: I support staff's recommendation.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2020-78

PROVIDING RELIEF TO CERTAIN RESTAURANTS AND BARS FOR DECEMBER 2020 IN THE AMOUNT OF \$30,000 EACH

WHEREAS, on March 18, 2020, the City of Unalaska passed Resolution 2020-16 declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska Remains; and

WHEREAS, on March 24, 2020, the City of Unalaska passed Resolution 2020-17, requiring certain quarantine measures, closing non-essential businesses and requiring “hunker down” and stay at home as much as possible; and

WHEREAS, the City of Unalaska adopted Resolution 2020-37 on May 26, 2020, accepting Coronavirus Relief Funds made available by the Department of the Treasury to the State of Alaska, to be passed through to the City of Unalaska through the CARES Act; and

WHEREAS, On June 26, 2020, the City of Unalaska passed Resolution 2020-42 establishing a formula for small business grants; and

WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits; and


WHEREAS, On July 14, 2020, the City of Unalaska passed Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City’s response/prevention; 10% contingency); and

WHEREAS, On December 1, 2020, the City of Unalaska passed Resolution 2020-74 providing measures to protect public health, including the requirement for no in-person dining at local restaurants and bars.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves additional relief in the amount of \$30,000 to the nine establishments below for a total of \$270,000:


- Airport Restaurant, LLC
- The Norwegian Rat Saloon
- Pho Vy’s
- Amelia’s Restaurant & Eagle Inn
- Margaret’s Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 22, 2020.



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: December 22, 2020
Re: Resolution 2020-78: Providing relief to certain restaurants and bars for December 2020 in the amount of \$30,000 each

SUMMARY: The City of Unalaska received CARES Act funding (\$13,453,952); and staff developed a plan that was consistent with the Treasury Guidance and with City Council Resolution 2020-47 establishing the allocation of the CARES Act Spending.

On December 15, Council provided a directive to the City Manager requesting the City provide \$30,000 to each restaurant and bar affected by the latest City COVID-19 mandate (Resolution 2020-74). This directive was for the month of December 2020 only and stated that it should be worked into a resolution.

PREVIOUS COUNCIL ACTION:

- May 26, 2020 – Approved Resolution 2020-37 receiving CARES Act grant award
- June 26, 2020 – Approved Resolution 2020-42 establishing formula for small business grants
- July 14, 2020 – Approved Resolution 2020-46 establishing amounts to be paid to local small businesses and not-for-profits
- July 14, 2020 – Approved Resolution 2020-47 establishing allocations of CARES Act spending (40% for grants, 50% for the City's response/prevention; 10% contingency)
- July 28, 2020 – Approved two budget amendments related to CARES Act funding
- September 22, 2020 – Approved Resolution 2020-60 establishing the utility credit program for PCE eligible utility customers
- October 27, 2020 – Approved Resolution 2020-67 providing financial support to the UCSD, IFHS Clinic and Lions Club as well as support for a flu vaccine clinic
- December 15, 2020 – Council provided a directive to the City Manager to develop a resolution that would provide additional relief to Unalaska restaurants and bars in the amount of \$30,000 each.

BACKGROUND: Generally speaking, CARES Act funds were to be used for the following purposes:

- Provide grant funding to City residents, businesses and not-for-profits negatively impacted by COVID-19 (Grants and Funding Support)
- 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)

The City received \$13,453,952 in CARES Act monies from the Federal Government, passed through the State of Alaska. Based on the allocation method approved by Resolution 2020-47, CARES Act monies were to be spent as follows:

- Community support (local businesses, non-profits, residents) \$5,381,581
- City response and prevention \$6,726,976
- Contingency \$1,345,395

Staff followed the guidance provided by in Resolution 2020-47 and fully spent the combined amounts shown above for Community Support and Contingency (\$6,726,976). As of December 14, 2020, the City has provided \$6,729,259 in community support to businesses and residents of Unalaska.

DISCUSSION: While the directive appears straight forward with respect to providing relief to restaurants and bars, staff discussed this at length and attempted to determine who should receive this additional funding. Our primary question (*below*), created additional questions that needed to be addressed in order to provide a resolution to Council. **Please see the attached spreadsheet for details on the four options.**

Do we provide assistance to local businesses that have indicated on their business license that they are a restaurant or bar through the use of NAICS Code 722 – Food Services & Drinking Places?

The following business licenses were issued by the City of Unalaska under NAICS Code 722:

- Airport Restaurant, LLC
- Grand Aleutian Hotel (Unisea)
- The Norwegian Rat Saloon
- Pho Vy's
- Amelia's Restaurant & Eagle Inn
- Java Heaven
- Helen's Kitchen
- Willow Bean Coffee
- San Diego Tacos To Go

A follow up question then becomes, of those business listed, what if they do not typically provide dine in service?

It is unclear to staff if Council intended to include Java Heaven, Helen's Kitchen, Willow Bean Coffee and San Diego Tacos To Go as part of this relief resolution. Ultimately, we determined that those establishments do not provide dine-in service and most likely do not generate more than \$30,000 per month in revenue.

If Council chooses to fund businesses, based solely by the name on their business license, staff has proposed 2 options. These options are included in the attached spreadsheet and below under financial implications as **Option 1** (*including* coffee shops and other entities that do not provide dine-in service) and **Option 2** (*excluding* coffee shops and other entities that do not provide dine-in service).

An additional follow up question then comes up, about how do we address The Grand Aleutian Hotel (Unisea) that operates multiple individual establishments?

The Grand Aleutian Hotel operates 6 separate dining establishments under their business license. They are:

- Margaret Bay Café
- Cape Cheerful
- Chart Room
- Harborview Bar & Grill
- Harbor Sushi
- Pyramid Coffee

The portion of the City's completed grant program that provided assistance to non-essential businesses based on computed lost revenue, each of the individual entities received relief. However, during the portion of the program that provided a stipend, based on a tiered approach, only Unisea received a payment.

To address this variable, staff is providing 2 additional options. **Option 3** includes all Grand Aleutian dining establishments, as well as coffee shops and other entities that do not provide dine-in service. **Option 4** includes the Grand Aleutian dining establishments and excludes coffee shops and other entities that do not provide dine-in service.

FINANCIAL IMPLICATIONS: As indicated above, staff has presented four options, of which Council can select one or provide their own recommendation. The financial impact of each option is as follows:

- Option 1 - \$270,000 – by business license name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 2 - \$150,000 – by business license name (restaurants & bars only)
- Option 3 - \$420,000 – by individual name (restaurants, bars, coffee shops & other entities that do not provide dine-in service)
- Option 4 - \$270,000– by individual name (restaurants & bars only)

If Council selects one of the above options, there is sufficient CARES funding available to meet this obligation. Because the funding for both Community Support and Contingency buckets outlined in Resolution 2020-47 have already been disbursed, this funding will come from the City Response and Prevention bucket outlined in Resolution 2020-47.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Option 4 as that was determined to be the alternative that seemed to meet the goals of the directive. Council can select any of the above options or determine another funding determination that they feel best meets the Community needs.

PROPOSED MOTION: I move to adopt Resolution 2020-78.

CITY MANAGER COMMENTS: I support Staff's recommendation.

Backup Detail
Council Memo - Res. 2020-78

Option 1 - Restaurants, bars, coffee shops and other entities that do not provide dine-in service, by license name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	30,000.00
	<u>270,000.00</u>

Option 2 - Restaurants and bars only, by license name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea	30,000.00
	<u>150,000.00</u>

Option 3 - Restaurants, bars, coffee shops and other entities that do not provide dine-in service, by individual name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea-Margaret Bay Café	30,000.00
Unisea-Cape Cheerful	30,000.00
Unisea-Chart Room	30,000.00
Unisea-Harborview Bar & Grill	30,000.00
Unisea-Harbor Sushi	30,000.00
Unisea-Pyramid Coffee	30,000.00
Java Heaven	30,000.00
Helen's Kitchen	30,000.00
Willow Bean Coffee	30,000.00
San Diego Tacos To Go	30,000.00
	<u>420,000.00</u>

Option 4 - Restaurants and bars only, by individual name	
Airport Restaurant, LLC	30,000.00
The Norwegian Rat Saloon	30,000.00
Pho Vy's	30,000.00
Amelia's Restaurant & Eagle Inn	30,000.00
Unisea-Margaret Bay Café	30,000.00
Unisea-Cape Cheerful	30,000.00
Unisea-Chart Room	30,000.00
Unisea-Harborview Bar & Grill	30,000.00
Unisea-Harbor Sushi	30,000.00
	<u>270,000.00</u>