



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 23, 2020

RE: **COVID – 19 Financial Report for the Period Ended June 15, 2020**

Attached for City Council review is the COVID – 19 Financial Report for the period ended June 15, 2020.

Finance Director Mr. Newell will be attending the City Council meeting of July 2, 2020, in order to address any questions and/or concerns that Councilmembers may have.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Bob Newell, Finance Director
Camille Nelson, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

TO: Karl R. Amylon, City Manager/KPU General Manager

FROM: Bob Newell, Finance Director

DATE: June 23, 2020

SUBJECT: COVID – 19 Financial Report for the Period Ended June 15, 2020

Attached to this memorandum is the COVID-19 Financial Report for the period ended June 15, 2020. This financial report has been prepared and issued by the Finance Department in order to report on the costs of the City's efforts to respond to and contain the COVID – 19 pandemic in our community. The schedule for releasing these reports is twice a month immediately following the City's semi-monthly payroll. Based on the City's current payroll schedule, the financial reports should be issued on or about the 10th and the 25th of every month.

The reports only include the City's costs of addressing the COVID – 19 pandemic. Costs are defined as actual expenses plus encumbrances arising from open purchase orders issued to vendors for goods and service. As the purchase orders are liquidated, they will be converted into actual expenses. The costs are grouped into two categories: non-reimbursable and reimbursable. Costs included in the **non-reimbursable** category are those costs that, based on current federal and state guidelines, will not be eligible for reimbursement from federal and state disaster funds. Costs included in the **reimbursable** category are considered to be eligible for reimbursement under current guidelines. The actual amount reimbursed will depend on the amount of federal and state disaster funds awarded to our community.

For the reporting period ended June 15, 2020, the City incurred \$627,886 of non-reimbursable costs and \$438,231 of reimbursable costs for a total of \$1,066,117. Please note that 100% of the non-reimbursable costs for this reporting period are not additional costs and are being funded from current appropriations. We now believe that substantial portion of the non-reimbursable costs for wages and benefits may be eligible for reimbursement from the funding provided by the CARES Act but we have yet to make the final determination. The City will also need to decide if it even wants to use CARES Act funds for this purpose or if it would prefer to distribute the funds into the community.

Please let me know if you have any questions.

City of Ketchikan
Summary of COVID-19 Costs
For the Period Ended June 15, 2020

		GG Non-Reimbursable COVID-19 Costs	KPU Non-Reimbursable COVID-19 Costs	Reimbursable COVID-19 Costs	Total
Labor					
Administrative Leave and Benefits	(1)	200,532	111,609		312,141
Regular and Temporary Wages and Benefits	(2)	213,906	74,639		288,545
Supplemental Tempory Wages and Benefits	(3)			36,093	36,093
Overtime Wages and Benefits	(4)			44,987	44,987
Total Labor		<u>414,438</u>	<u>186,248</u>	<u>81,080</u>	<u>681,766</u>
Materials and Services					
Supplies	(5)			81,778	81,778
Contractual Services				275,374	275,374
Operating Equipment		<u>27,200</u>	<u>-</u>	<u>-</u>	<u>27,200</u>
Total Materials and Services		<u>27,200</u>	<u>-</u>	<u>357,152</u>	<u>384,352</u>
Total Costs		<u><u>441,638</u></u>	<u><u>186,248</u></u>	<u><u>438,231</u></u>	<u><u>1,066,117</u></u>

Notes:

- (1) The cost of employees in self-isolation and unable to work remotely. These costs are currently not reimbursable.
- (2) The cost of employees working directly with the Emergency Operations Center or assisting in the efforts to contain or respond to the COVID-19 pandemic in our community. We now believe that some or most of these costs may be reimburseable from CARES Act funds.
- (3) The cost of temporary employees hired to work directly in the efforts to contain or respond to the COVID-19 pandemic in our community. These cost are eligible for reimbursement because they are considered to be added costs for the City.
- (4) The cost of overtime for employees working direct with the Emergency Operations Center or assisting in the efforts to contain or respond to the COVID-19 pandemic in our community. These cost are eligible for reimbursement because are they considered to be added costs for the City.
- (5) All of the costd for materials and service include actual expenditure plus encumbered funds. Encumbered funds are commitments to purchase good and services, which are supported by approved purchase orders that have issued to vendors and contractors.