



City Manager
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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 23, 2020

RE: **Resolution No. 20-2780 - Amending The 2020 General Government Operating And Capital Budget To Provide A Supplemental Appropriation For The Public Health Department In The Amount Of \$7,119,347; And Establishing An Effective Date**

The motion detailed below was prepared at the request of Finance Director Bob Newell, who asked that it be placed before the City Council for consideration at its meeting of July 2, 2020. If adopted, Resolution No. 20-2780 amends the 2020 General Government Operating and Capital Budget by providing a supplemental appropriation for the Public Health Department in the amount of \$7,119,347 to account for CARES Act funding. An explanation of the supplemental appropriation is detailed in Mr. Newell's transmittal memorandum and requires no elaboration on the part of my office. I concur with the Finance Director's recommendation.

Prior to consideration of Resolution No. 20-2780, a public hearing is required. The City Clerk's Office has scheduled such a public hearing for the beginning of the City Council meeting of July 2, 2020. Following the public hearing, the City Council may consider the resolution.

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

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion approving Resolution No. 20-2780 amending the 2020 General Government Operating and Capital Budget to provide a supplemental appropriation for the Public Health Department in the amount of \$7,119,347; and establishing an effective date.

Recommended Motion: I move the City Council approve Resolution No. 20-2780 amending the 2020 General Government Operating and Capital Budget to provide a supplemental appropriation for the Public Health Department in the amount of \$7,119,347; and establishing an effective date.

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: **Resolution No. 20-2780, Amending The 2020 General Government Operating And Capital Budget To Provide A Supplemental Appropriation For The Public Health Department In The Amount of \$7,119,347; And Establishing An Effective Date**

The \$1.8 trillion Coronavirus Aid Relief and Economic Security (CARES) Act was passed by the US Congress and signed into law on March 27, 2020. Included in the Act was \$150 billion for the distribution to state, local and tribal governments. The State of Alaska received \$1.25 billion.

In May of 2020, the Alaska Legislature approved a plan to distribute \$569 million of its CARES Act funds to municipalities and communities throughout Alaska. The City of Ketchikan will receive \$12.3 million in three installments. At its meeting of June 4, 2020, the City Council passed Resolution No. 20-2778 accepting CARES Act funds from the Alaska Department of Commerce, Community and Economic Development. The first installment of \$5.9 million was received by the City on June 18, 2020. The second and third installments of about \$3.2 million each will be paid no earlier than July 1 and October 1 but only if at least 80% of the prior installments have been spent.

At its special meeting of June 11, 2020, the City Council developed and approved a plan for spending the first installment of the City's CARES Act funding. In addition to the \$5.9 million received from the State of Alaska, the Ketchikan Gateway Borough has agreed to transfer up to \$1.2 million of its CARES Act funds to City for the purpose of funding an electric utility subsidy payment program and a sheltering and food security program to be administered by the City. The programs developed and approved by the City Council are listed below.

Electric Utility Subsidy Payment Program	\$ 2,440,000
Moorage Subsidy Payment Program	299,347
Daycare Assistance Program	350,000
Small Business Assistance Program	2,480,000
Residential Rent and Moorage Assistance Program	1,000,000
Sheltering and Food Security Program	200,000
Non-Profit Assistance Program	350,000
	<u>\$ 7,119,347</u>

Resolution No. 20-2780 has been prepared for the purpose of amending the 2020 General Government Operating and Capital Budget to establish a separate fund to account for the CARES Act funds and to provide a supplemental appropriation from this fund for the Public Health Department. Approval of this resolution will permit the City to spend the CARES Act funds in accordance with the direction provide by the City Council at its special meeting of June 11, 2020.

I recommend that the City Council pass Resolution No. 27-2780 amending the 2020 General Government Operating and Capital Budget to provide for a supplemental appropriation for the Public Health Department. As required by the Ketchikan Municipal Code, a public hearing for the

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budget amendment must be held. The City Clerk, Kim Stanker, has been request to schedule a public hearing for July 2, 2020 and to provide for the proper public notice of such hearing.

Recommended Motion:

I move that the City Council pass Resolution No. 20-2780, amending the 2020 General Government Operating and Capital Budget to provide a supplemental appropriation for the Public Health Department in the amount of \$7,119,347; and establishing an effective date.

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 20-2780

A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA AMENDING THE 2020 GENERAL GOVERNMENT OPERATING AND CAPITAL BUDGET TO PROVIDE A SUPPLEMENTAL APPROPRIATION FOR THE PUBLIC HEALTH DEPARTMENT IN THE AMOUNT OF \$7,119,347; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Ketchikan, Alaska General Government Operating and Capital Budget and appropriations for the year 2020 were adopted by the City Council with the passage of Resolution No. 19-2756; and

WHEREAS, funds in the amount of \$12,281,651 are available in 2020 through the State of Alaska from the Coronavirus Aid, Relief and Economic Security (CARES) Act that was passed by the US Congress in March 2020; and

WHEREAS, funds in the amount of \$1,200,000 are available from a transfer of CARES Act Funds from the Ketchikan Gateway Borough to the City of Ketchikan to help fund the electric utility relief, and sheltering and food security programs; and

WHEREAS, funds shall be received by the City in three installments with the first installment of \$5,919,347 expected to be paid in June 2020, and the remaining two installments shall be received no earlier than July 1 and October 1 or when at least 80% of the preceding installments have been spent; and

WHEREAS, the funds shall be accounted for in a separate fund in order to monitor the use of the funds and ensure that they are being applied in accordance with the *Coronavirus Relief Fund, Guidance for State, Territorial, Local and Tribal Government dated April 22, 2020*; and

WHEREAS, the City Council desires to provide a supplemental appropriation for the Public Health Department in the amount of \$7,119,347 so that funds received from the first installment from the CARES Act and the Ketchikan Gateway Borough can be distributed immediately in the community and be used to help alleviate the public health emergency and the economic hardships caused by the COVID-19 pandemic.

THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: The 2020 revenues and appropriations of the CARES Act Special Revenue Fund are hereby amended as follows:

Revenues:	
CARES Act Funds – State of Alaska	\$5,919,347
CARES Act Funds – Passed-through from Ketchikan Gateway Borough	\$1,200,000

Appropriations:	
Public Health Department	
Electric Utility Subsidy Program	\$2,440,000
Moorage Subsidy Payment Program	\$299,347
Daycare Assistance Program	\$350,000
Small Business Assistance Program	\$2,480,000
Residential Rent and Moorage Assistance Program	\$1,000,000
Sheltering and Food Security Program	\$200,000
Non-Profits Assistance Program	\$350,000

Section 2: This resolution shall become effective immediately upon passage.

PASSED AND APPROVED this 2nd day of July, 2020.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker, City Clerk