



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 26, 2020

RE: **Authorizing an Agreement Between the City of Ketchikan and Community Connections to Administer the City's CARES Act COVID-19 Nonprofit Relief and Recovery Program**

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, the motion provides for authorizing my office to enter into an agreement with Community Connections to administer the City's CARES Act COVID-19 Nonprofit Relief and Recovery Program. An explanation of the proposed program and rationale for contracting with Community Connections are detailed in the Finance Director's transmittal memorandum and requires no elaboration on the part of my office. I concur with Mr. Newell's recommendation.

Community Connections has proposed a program that would provide grants up to \$10,000 for nonprofits with annual revenues of less than \$50,000 and up to \$50,000 for nonprofits with annual revenues of over \$50,000. Grants would be targeted to providing social services within the City and Borough that benefit the community's vulnerable populations.

Community Connections has proposed an administrative fee not to exceed 6% of the amount awarded under the program to cover the agency's costs.

The Finance Director 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 the City Council adopt the motion approving a memorandum of agreement between the City of Ketchikan and Community Connections to administer the City's CARES Act COVID-19 Nonprofit Relief and Recovery Program and authorizing the City Manager to execute the agreement on behalf of the City Council.

Recommended Motion: I move the City Council approve a memorandum of agreement between the City of Ketchikan and Community Connections to administer the City's CARES Act COVID-19 Nonprofit Relief and Recovery Program and authorize the City Manager to execute the agreement on behalf of the City Council.

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 25, 2020

Subject: **Approving An Agreement Between The City And Community Connections To Administer The City's CARES Act Sheltering and Food Security, and Non-Profit Assistance Programs**

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 Mortgage Assistance Program	1,000,000
Sheltering and Food Security Program	200,000
Non-Profit Assistance Program	350,000
	<u>\$7,119,347</u>

Two of the programs approved by the City Council included a \$200,000 Sheltering and Food Security Program that will be funded by a transfer of CARES Act funds from the Borough and a \$350,000 Non-Profit Assistance Program to be funded from City CARES Act funds. Lacking the expertise in these areas, staff reached out to a third party to administer both of these programs so the funds could be distributed in the community without delay. Our primary goals were to select a third party that has the administrative capacity to review and process applications for these two programs. Since we were in meetings with Community Connections about some of the other programs the City is pursuing, we asked them to consider taking on these two programs. They agreed and provided the City with a proposal to administer a COVID-19 Nonprofit Relief and Recovery Program (C-19 NRRP).

The C-19 NRRP that Community Connections has proposed combines the Sheltering and Food Security and Non-Profit Assistance Programs into a single program for ease of administration. Sheltering, food security and support for a variety of other traditional non-profit programs will be provided under the C-19 NRRP. The C-19 NRRP would provide grants to non-profit entities based on annual revenues. Non-profit entities with annual revenues of \$50,000 or less could apply for a grant of up to \$10,000 and those with annual revenues of over \$50,000 could apply for a grant of up to \$25,000. Only one application will be accepted from each qualifying non-profit entity. Community Connections would be responsible for advertising the program, acting as a point of contact for the program and reviewing and approving applications. Approved applications would be forwarded to the City for disbursement to the qualifying non-profit entities.

Community Connections will be responsible for administering the program on behalf of the City, implementing adequate internal controls to ensure that the funds are being used for their intended purposes and in compliance with the CARES Act and reporting to the City on the funds awarded. For this service, Community Connections is requesting an administrative fee not to exceed 6% of the amount awarded to cover their costs.

I have attached for your review a draft memorandum of agreement between the City and Community Connections and a proposed application form. If the City Council authorizes the city manager to enter into an agreement with Community Connections, my office will work with Community Connections and the city attorney to finalize the agreement.

I recommend that the City Council authorize the city manager to enter into an agreement with Community Connections to administer the City's CARES Act Sheltering and Food Security, and Non-Profit Assistance Programs. Community Connections provides a broad range of services to the residents of all ages residing in Ketchikan, Metlakatla and Prince of Wales Island. Community Connections was founded in 1985 and employs over 200 employees.

Recommended Motion:

I move the City Council approve a memorandum of agreement between the City and Community Connections to administer the City's CARES Act Sheltering and Food Security, and Non-Profit Assistance Programs and authorize the city manager to execute the agreement on behalf of the City Council.

COVID-19 RELIEF AND RECOVERY NONPROFIT ASSISTANCE PROGRAM

MEMORANDUM OF UNDERSTANDING

BETWEEN THE CITY OF KETCHIKAN AND COMMUNITY CONNECTIONS

Overview

The City of Ketchikan has made \$550,000 available to the nonprofits of Ketchikan in response to the COVID-19 crisis.

Community Connections, in collaboration with the City of Ketchikan, will operate and administer the program. Community Connections will review and approve applications, and the City will write and distribute checks to nonprofits who qualify. Community Connections reserves the right to approve funds on a first come, first serve basis should there be qualified nonprofit applications in excess of the \$550,000 available.

Responsibilities

Community Connections will

- Advertise the program
- Intake and screen applications
- Be point-of-contact to address potential questions and concerns
- Review and approve applications
- Send approved applications to the City
- Notify applicants of their approval or denial
- Report back to the City on impact of funding

The City of Ketchikan will

- Write and distribute checks to approved applicants

The City of Ketchikan will pay an administrative fee, not to exceed 6%, to Community Connections for staff time, the administration, management and advertising of the program.

Timeline

Community Connections will accept applications between July 10th and August 10th, 2020. Community Connections will date-stamp applications and send to the City on an ongoing basis. If the demand for grants exceeds available funds, we reserve the right to allocate the funds on a first come, first serve basis.

Application Instructions

Applications can be downloaded online at <https://comconnections.org/covid-relief> or be picked up at Community Connections (721 Stedman St) or the City of Ketchikan office (334 Front St).

Applications can be returned by fax, email or in person to:

James Johnson
Community Connections
721 Stedman St.
Ketchikan, AK 99901
Phone: (907) 225-7825 ext. 326
Fax: 907-225-1541
Email: james.johnson@comconnections.org

Questions or concerns regarding eligibility or the application process may also be directed to James Johnson at Community Connections.

Advertisement

This program will be advertised in the Ketchikan Daily News, the Local Paper, SitNews, and Facebook.



COVID-19 Nonprofit Relief and Recovery Program

Application Instructions

Eligibility

Nonprofits must meet the following criteria to be considered for funding:

- Provide social services to the City and Borough of Ketchikan. The City encourages projects and programs with components that foster direct impact to the community's vulnerable populations.
- Be an IRS-certified 501 nonprofit
- Have been in operation serving City and Borough of Ketchikan residents since at least January 1, 2019
- Majority of the organization's local board of directors or local advisory board and its officers must be Alaska residents. A local affiliate of a national organization must have a local advisory or governing board
- Faith-based nonprofits are eligible, so long as they provide services which are promoted and available to the general public without regard to religious affiliation
- Services must be impacted by COVID-19 (loss of revenue, increase in demand, etc.)

Grant Availability

The total funds available are \$550,000 for the City and Borough combined. Nonprofits are allowed to apply for the following:

- Tier 1: Up to \$10,000 for nonprofits of less than \$50,000 in annual revenue
- Tier 2: Up to \$25,000 for nonprofits of above \$50,000 in annual revenue

To Apply

Applications will be accepted between **Friday, July 10th and Monday, August 10th, 2020**

Submit applications in one of the following ways:

- *Email:* james.johnson@comconnections.org
- *Fax:* attn. James Johnson (907) 225-1541
- *Mail or hand-deliver to:*
Community Connections
Attn: James Johnson
721 Stedman St
Ketchikan AK 99901

Applications may be amended before the deadline. Incomplete applications will be rejected.

Only one application per nonprofit will be accepted.

Applicants will be notified of the status of their application via email to the contact person on the application.

If the demand for grants exceeds available funds, we reserve the right to allocate the funds on a first come, first serve basis. Applications will be date-stamped and processed on an ongoing basis.

Use of Funds and Reporting

By September 15, 2020: Grant recipients are required to submit a one-page narrative report to Community Connections of how the funds were used or how the funds plan to be used.

By December 30, 2020: Grant funds must be fully expended.

Questions

Contact James Johnson at Community Connections for more information or for clarification.

Phone: (907) 225-7825

Email: james.johnson@comconnections.org

NONPROFIT APPLICATION

Applicant Information

Organization name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Contact Name: _____

E-mail: _____

What type of IRS certification does your nonprofit hold?

501(c)(3) Charitable Organization

501(c)(4) Social Welfare

501(k) Childcare Organization

Other (please specify) _____

Grant Request Information

Were the services provided by your nonprofit impacted by the COVID-19 public health emergency and are you in need of economic assistance? (Impacts may include, but are not limited to, loss of revenue due to mandatory shutdown measures, additional operating expenses due to providing additional COVID-19 related services, additional operating expenses of reopening and protecting staff and the public, including funds already spent for those purposes.)

Yes

No

What is your annual revenue, as reported on your most recent Form 990 or audited financial statements?

\$ _____

Amount requested: *(Up to \$10k for nonprofits of less than \$50k in annual revenue, and up to \$25k for nonprofits of above \$50k in annual revenue)*

\$ _____

Did your nonprofit provide services to residents of the City of Ketchikan and/or residents of the Ketchikan Gateway Borough in 2019?

- Yes No

Describe how your services have increased or been impacted by COVID-19.

What is your intended use of funds?

Check all service categories that apply:

- | | |
|---|---|
| <input type="checkbox"/> Food or meals to low-income or vulnerable populations | <input type="checkbox"/> Elderly and/or physically or developmentally disabled people |
| <input type="checkbox"/> Homeless care programs | <input type="checkbox"/> Poverty and working poor |
| <input type="checkbox"/> Children and youth | <input type="checkbox"/> Mental health |
| <input type="checkbox"/> Other program serving Ketchikan's under-privileged or needy population | |

Certification

As an official signer of the application, I certify that the information provided in this application is true and accurate and acknowledge that the funds will be spent by the required deadline of December 30, 2020. I agree to assist in the verification of information provided in this application and to provide additional information to the City, if requested.

Signed: _____

Date: _____

COVID-19 Nonprofit Relief and Recovery Application

Printed Name: _____

Title: _____

suggested limiting the amount of exclusions to ensure the money gets out quickly. She noted the Permanent Dividend Fund will be coming out in July which will help individuals through the summer. She continued then the Borough and City can assist individuals with the second and third rounds of funding to help them get through the winter months.

NEW BUSINESS

Suggested Programs for Funding from the First Installment of CARES Act Relief Funds

Moved by Coose, seconded by Kiffer the City Council direct staff to finalize programs for the disbursement of CARES Act Relief funding in the amount of \$5,919,347 to City residents and businesses as determined appropriate by the City Council.

Suggested Programs	Amount
Utility Assistance	\$ 1,440,000
Moorage Assistance	\$ 300,000
Daycare Assistance	\$ 350,000
Small Business Assistance	\$ 2,480,000
Residential Rent & Mortgage Assistance	\$ 1,000,000
Non-Profit Organizations	\$ 350,000

Manager Amylon gave a summary of the monies that are being made available to the City and Borough, noting the City has \$5.9 million available in the first round. He said it is up to the Council's discretion in terms of how you want to distribute these funds. He indicated staff has put together a draft outline with suggestions for the Council. He said what staff has proposed is in no means written in stone. He said he agreed with the comments made during persons to be heard, there is a lot of need out there and not enough money. He said his office did not receive much of feedback from the community. He explained because of that it is hard to define what the need is in terms of where to target the money and where it will be most effective. He said his office put together a simple program that would make assistance available to areas in which people will need help with, the longer the pandemic goes on.

The Manager's Office submitted a general outline for the first round of funding with recommendations and suggested combining some of the funds with the Borough for quick distribution.

A lengthy discussion ensued between the Councilmembers on what they would like to see regarding programs and distribution amounts for this round and future allocations is summarized below.

- After the distribution of the first round, the Council will have a clearer view of where the second and third round should be dispersed.
- Discussion regarding additional funding to daycare providers and local non-profits to ensure aid to the homeless, disabled and vulnerable people of the community.
- Discussion of collaborating with the Borough and local non-profits.
- Recommendations on application forms and the best way to get the applications and information out to community members.
- Clarification on policies and procedures.
- Possible future joint discussion with the Borough after distribution of first round of funding to discuss dispersal of second and third rounds.
- Discussion regarding different models available for grant distribution.

Councilmember Coose called the question on the motion.

Motion passed with Zenge, Flora, Chapel, Bergeron, Coose, Kiffer and Gage voting yea.

MAYOR AND COUNCILMEMBER COMMENTS

Councilmember Flora stated this topic requires a healthy discussion to get the money out into the community as expeditiously as we can. He reiterated comments that this money will not make individuals or a business's whole, but will help them get by. He said lets learn from this first phase and we can do a better job the second time around.

Councilmember Kiffer echoed Councilmember Flora's comments. He stated that we need to get this process started. He said as a body we will be able to see what did and did not work well and discuss what we can do it make it better for the next round.

Councilmember Zenge said she appreciated all of the work staff has done and all of those in the community who have reached out with their concerns.

Councilmember Bergeron stated that we need to put this money where it would do the most good and felt tonight's process was rushed. He said we have an obligation to seriously consider the best use of these funds whether they go to individuals, non-profits or local businesses.

Councilmember Gage said she is willing to spend more time on this discussion because this has to do with the lives and the wellbeing of everyone in our community. She encouraged everyone to think about what was discussed here tonight. She commented on the COVID-19 unemployment that is available and the difficulties of applying for it. She asked how can we assist people regarding care providers. She echoed Councilmember Chapel's comments on offering mental health services for the community.

Mayor Sivertsen said today was to listen to people and that there is a lot of need out there and we have not even touched the surface yet. He stated we have to move forward with some type of plan and we need to work with the community. He informed we will learn more about our community as we go through this process. He said he hopes that people who need this funding will have access to it. He noted that we need to keep our eye on the ball and adjust as needed to make things right for everyone.

ADJOURNMENT

As there was no further business, the Council adjourned at 7:21p.m.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED – None