



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: August 13, 2020

RE: **CARES Act Administrative Procedures**

At its meeting of July 2, 2020, the City Council adopted a 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 to fund six different community assistance programs using City and Borough CARES Act funding. Attached for City Council review is a memorandum from Finance Director Bob Newell, which details refinements that City staff have made to the five programs that the City is managing. The Finance Director's report is self-explanatory and requires no elaboration on the part of my office. I concur with the interpretations and guidelines that the Finance Department has implemented.

By separate report [see agenda statement 9a(6)], Assistant City Manager Lacey Simpson has summarized revised deadline dates for applications for the nonprofit and residential rent and mortgage assistance program.

Mr. Newell will attend the City Council meeting of August 20, 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
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TO: Karl R. Amylon, City Manager/KPU General Manager

FROM: Bob Newell, Finance Director

DATE: August 12, 2020

SUBJECT: CARES Act Administrative Procedures

At its meeting of July 2, 2020 the City Council authorized six separate community assistance programs for funding from the City's \$12.3 million CARES Act grant award. The programs were:

- Electric Utility Subsidy Payment
- Moorage Subsidy Payment
- Residential Rent and Mortgage Assistance
- Daycare Assistance
- Nonprofit Relief and Recovery
- Small Business Assistance

As you are aware, the programs were developed under a very tight schedule with limited opportunities to identify and vet all administrative issues regarding the distribution of these funds to the community. All of this was done against the backdrop of uncertainty due the vagueness of what types of programs would or would not be permitted under the CARES Act legislation. The programs are now underway and staff has identified some issues with regards to the Electric Utility Subsidy Payment Program and would like to advise you of them and what action we have taken to resolve them. The more consequential issues identified and the administrative procedures we adopted to address the issues are as follows:

- If an electric utility customer operates a business out of their home and their electric account is a residential account, they cannot apply for a business electric utility subsidy payment. They will, however, be able to apply for a residential electric utility subsidy payment.
- A harbor electric utility customer is only eligible for a subsidy if they have a live aboard account. These customers will receive a residential electric utility subsidy payment. Harbor electric utility accounts are not eligible for the business electric utility subsidy payment. Applicants requesting a business electric utility subsidy payment will be advised to consider applying for the City's Moorage Subsidy Payment Program.
- A renter cannot apply for electric utility subsidy payment if the account is in the name of the landlord. The landlord can, however, apply for a subsidy payment on behalf of the tenant, provided that the tenant is identified on the application. The City will notify both the landlord and the tenant of the status of the application. If a landlord will not apply on behalf of the tenant, the City will advise residential renters to consider applying for the City's Residential Rent and Mortgage Assistance Program.

- Businesses must have an active business electric utility account and be available to operate in order to be eligible for a business electric subsidy payment. The subsidy payment will be based on the lesser of actual consumption from January 1 through July 31 and estimated consumption from August 1 through December 30 or \$1,600. December 30, 2020 is the cutoff for the CARES Act funding.
- If a business has separate physical storefront locations, they may be eligible for more than one subsidy. Applications submitted by businesses with separate storefronts will be evaluated on the basis of consumption and the circumstances surrounding the business.

These administrative procedures were developed in order to ensure that we are evaluating applications in consistent and fair manner. We also wanted to make sure that we are adhering to the requirements of the CARES Act. As we've discussed, the City needs to be careful that the Electric Utility Subsidy Program is not ultimately categorized as a revenue replacement program for KPU. While we believe that the current program is sound, we still need to be cognizant of the fact there is still some risk that the federal or state auditors may raise the question of revenue replacement.

July 2, 2020

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

Resolution No. 20-2780 – Amending the 2020 General Government and Operating and Capital Budget to Provide a Supplemental Appropriation for the Public Health Department in the Amount of \$7,119,347

Moved by Coose, seconded by Zenge 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.

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

Resolution No. 20-2781 – Establishing the CARES Act Electric Utility Subsidy Payment Program

Moved by Zenge, seconded by Flora the City Council approve Resolution No. 20-2781 establishing the CARES Act Electric Utility Subsidy Payment Program; and establishing an effective date.

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

Resolution No. 20-2782 – Establishing the CARES Act Moorage Subsidy Payment Program

Moved by Flora, seconded by Bergeron the City Council approve Resolution No. 20-2782 establishing the CARES Act Moorage Subsidy Payment Program; and establishing an effective date.

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

Discussion of Directing Staff to Compile Information Regarding Council Committee Review and Modification of Staff's Draft of a City of Ketchikan Statement Regarding Recent National Events and Ketchikan Police Department Practices – Councilmember Chapel

Councilmember Chapel indicated the original intention was to have these documents in hand in the drafting of the statement by the committee so they could be incorporated in to the document. She stated this was the first time she was denied documents by staff, and it had been requested so the committee had real facts and numbers included in the statement. She said additionally her intention was to form another committee to address some of the issues that may have been found in these documents. She felt we are in an era where we need increased transparency with our Police Department as people across the country are feeling fear and distrust and felt the best thing we can do is work with those community members and provide that transparency. She suggested a committee be form comprised of KPD members, Alaska native leadership and community members and start working on this together. She felt training was needed to include de-escalation strategies and increasing the officers capacity to deal with people with mental illness. She said not only does she have an inside look at what is happening, she is also in the position to vote and fund training.