



City Manager  
334 Front Street  
Ketchikan, AK 99901

Phone (907) 228-5603  
Fax (907) 225-5075

<b>TRANSMITTAL MEMORANDUM</b>
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TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: January 13, 2021

RE: **Resolution No. 21-2800 - Amending The 2021 General Government Operating And Capital Budget To Provide A Supplemental Appropriation For The Public Health Department In The Amount Of \$651,516; Decreasing The General Fund Appropriated Reserves In The Amount Of \$651,516; And Establishing An Effective Date**

At its meeting of January 7, 2021, the City Council provided direction to staff to reappropriate an estimated \$662,021 of available CARES Act funding to the City's Residential Mortgage and Rent Assistance Program. The attached resolution was prepared at the request of Finance Director Michelle Johansen, who asked that it be placed before the City Council for consideration at its meeting of January 21, 2021. If adopted, Resolution No. 21-2800 amends the 2021 General Government Operating and Capital Budget by providing a supplemental appropriation for the Public Health Department in the amount of \$651,516 to account for the use of the CARES Act funding as directed by the City Council. An explanation of the supplemental appropriation is detailed in Ms. Johansen'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. 21-2800, 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 January 21, 2021. Following the public hearing, the City Council may consider the resolution.

Ms. Johansen will attend the City Council meeting of January 21, 2021, 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. 21-2800 amending the 2021 General Government Operating and Capital Budget to increase 2021 intergovernmental revenues of the CARES Act Fund and to provide a supplemental appropriation for the Public Health Department in the amount of \$651,516; decreasing the Appropriated Reserves of the General Fund in the amount of \$651,516; and establishing an effective date.

**Recommended Motion:** I move the City Council approve Resolution No. 21-2800 amending the 2021 General Government Operating and Capital Budget to increase 2021 intergovernmental revenues of the CARES Act Fund and to provide a supplemental appropriation for the Public Health Department in the amount of \$651,516; decreasing the Appropriated Reserves of the General Fund in the amount of \$651,516; and establishing an effective date.

# "UNAPPROVED" January 7, 2021

## Amendment No. 1 to the Professional Services Agreement for Conceptual Design of the Thomas Basin Promenade – PND Engineers, Inc.

This item was withdrawn from the agenda per staff. Councilmember Bergeron asked if the item could remain on the agenda for discussion. No objections were heard.

[Clerk's note: Councilmember Bergeron discussed this under "Discussion of Cruise Related Issues".]

## Amendment No. 3 to Contract No. 19-02, Consulting Services for the Lease of the Ketchikan Medical Center – ECG Management Consultants

Moved by Flora, seconded by Kiffer the City Council approve Amendment No. 3 in the amount of \$85,000 to Contract No. 19-02, Consulting Services for the Lease of the Ketchikan Medical Center, between the City and ECG Management Consultants; establish \$12,750 for out-of-pocket project expenses, bringing the total contract amount to \$674,750; authorize \$97,750 from the Public Health Department's 2021 Health Care Operations' Management and Consulting Services Account No. 640.04; and direct the city manager to execute the amendment on behalf of the City Council.

Motion passed with Bradberry, Bergeron, Gass, Kiffer, Gage and Flora voting yea. Zenge absent.

## One-Year Extension of the Collective Bargaining Agreement Between the City of Ketchikan and the International Association of Fire Fighters, Local 2761

Moved by Gass, seconded by Flora City Council approve the one-year extension of the Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Association of Fire Fighters, Local 2761 and directing the city manager to execute the extension on behalf of the City Council.

Motion passed with Gage, Flora, Bergeron, Bradberry, Kiffer and Gass voting yea; Zenge absent.

## Disposition of CARES Act Funding

Moved by Flora, seconded by Bergeron the City Council direct staff to take such action regarding the disposition of CARES Act funding as determined appropriate by the City Council.

Councilmember Flora said he would like to have the discussion based on the placement of the excess amount of \$662,021 back into one of the City's previously established programs.

Manager Amylon indicated if there is interest in putting the excess funds back into a program for the community he would like the Council to remember the budget was structured based on the assumption of 50% cruise ship traffic in 2021. He felt that projection is up in the air if we are going to achieve that level of traffic for 2021.

Councilmember Kiffer said while he agrees with staff there are people who are going to be hurting come 2021, and he would like to see that money go back into some of the programs.

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Councilmember Gage questioned the average amount the housing program cost per month. She felt from what she has been hearing there is a need in the community for the housing program.

In answer to Councilmember Gage, Finance Director Johansen said the average monthly payout is approximately \$1,000 per person with a monthly expense of \$1 million.

Councilmember Gass said from what he is hearing there needs to be additional funding for the business community.

Councilmember Bradberry said she would like to see all of the funds go back into our community programs, not just the \$662,021. She didn't feel there were enough cuts made to the budget.

Councilmember Gage questioned if there would be new CARES Act funding for 2021 from the Federal Government.

In answer to Councilmember Gage, Manager Amylon said he had only heard if the Democrats took the Senate there could possibly be an additional \$2,000 payment made to individuals. He said he had not heard of other programs that have been directed to the States or Municipalities.

Mayor Sivertsen said he had a teleconference with the Governor today regarding new CARES Act monies and what it is going to cover, with no definitive answers.

Council Gage informed \$300 per week unemployment benefits were approved, but people were having issues getting into the system.

Moved by Bergeron to direct the \$1.2 million back into the CARES Act programs established by the City.

Manager Amylon clarified there was an additional \$662,021 above the \$1.2 million in CARES Act funding that the Council used for first responders. He informed if Council directs the \$1.2 million back into CARES Act programs essentially the 2021 budget will be short \$1.2 million.

Councilmember Bergeron withdrew his motion to continue Council discussion.

Moved by Bergeron, seconded by Kiffer to direct staff to place the surplus CARES Act funds in the amount of \$662,021 back into the Mortgage and Rental Assistance CARES Act Program.

Mayor Sivertsen clarified the \$1.2 million was directed by Council during the budget cycle to be used for public safety, and the excess of \$662,021 is to be directed back into City CARES Act programs.

Councilmember Bradberry said she does not support this motion, and felt the entire \$1.8 million should be directed back into the community.

Councilmember Flora stated the business program expressed by Councilmember Gass, is a Borough program and people should be directed to them for additional funding. He said when we talk about supporting the community that means everybody. He indicated that his goals during the budget cycle were preservation of jobs and uninterrupted services. He said we didn't lay anybody off, we have a status quo budget, deferred many of our capital projects and we should be able to keep the lights on. He informed that 1.3 million people were laid off in this country last year that

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worked for municipalities, and the City of Ketchikan laid off zero. He felt that is community support and he will support the motion for distribution of the \$662,021. He said the Finance Department indicated that \$1.5 million will be needed in appropriated reserves in order to keep us solvent.

Councilmember Gass said he would support this motion, but based on the information received yesterday regarding the cruise industry we need to keep in mind that we are still in a tough financial situation for 2021.

Motion passed with Gass, Kiffer, Gage, Flora and Bergeron voting yea; Bradberry voting nay; Zenge absent.

### **2021 Agreement Between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc.**

Moved by Flora, seconded by Kiffer the City Council approve the 2021 Community Agency Funding Agreement between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc.; authorize funding in the amounts of \$142,143 and \$149,625 respectively from the 2021 Tourism & Economic Development Division and the Port Department's Marketing Services Account Nos. 635.13 and 635.13; and direct the city manager to execute the agreement on behalf of the City Council.

Patti Mackey President and CEO of the Ketchikan Visitors Bureau, Inc. answered questions from the Council.

Motion passed with Flora, Bergeron, Gass, Kiffer, Gage and Bradberry voting yea; Zenge absent.

### **Extension of Emergency Family and Medical Leave Expansion Act (EFMLA) and the Emergency Paid Sick Leave Act (EPSLA)**

Moved by Gage, seconded by Kiffer the City Council direct the city manager to take such action regarding the continued use of Emergency Family and Medical Leave Expansion Act (EFMLA) and the Emergency Paid Sick Leave Act (EPSLA) benefits for the employees of the City and KPU as determined appropriate by the City Council.

Assistant Manager Simpson clarified for the Council that staff is suggesting extending this program to employees who have hours available, and allow them to use them for a designated period. She said this would not include adding new hours.

Councilmember Flora asked for clarification whether this is CARES Act or municipal money.

In answer to Councilmember Flora, Assistant Manager Simpson stated this was put into place before the extension and it is her understanding they would not be eligible for reimbursement after December 31, 2020.

Finance Director Johansen explained the funds were eligible, but the City expended all funds through sick leave and benefits. She said there are no additional funds for 2021, since the \$662,021 is going back to into the City's CARES Act housing and rental assistance program.

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

*Michelle Johansen, Finance Director*  
*Camille Nelson, Financial Analyst*  
*Phone: (907) 228-5621*  
*Facsimile: (907) 228-5617*

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**To:** Karl R Amylon, City Manager/KPU General Manager

**From:** Michelle Johansen, Finance Director

**Date:** January 11, 2021

**Subject:** **Resolution No. 21-2800, Amending The 2021 General Government Operating And Capital Budget To Provide A Supplemental Appropriation For The Public Health Department In The Amount of \$651,516; Decreasing The General Fund Appropriated Reserves In The Amount of \$651,516; and Establishing An Effective Date**

On December 21, 2020 the City was notified the deadline for expenditures has been extended to September 30, 2021. At its meeting of January 7, 2021, the Council approved the extension of CARES Act Rent and Mortgage Assistance Program. After a final reconciliation of December rent and mortgage payments the funds available under the Rent and Mortgage Assistance Program are \$651,516.

Resolution No. 21-2800 amending the 2021 General Government Operating and Capital Budget to increase 2021 intergovernmental revenues and provide a supplemental appropriation for the City's remaining CARES Act funds as directed by the City Council. If approved, this appropriation will extend the program and expend the remaining CARES Act funds in the amount of \$651,516.

I recommend that the City Council pass Resolution No. 21-2800 amending the 2021 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 budget amendment must be held. The City Clerk, Kim Stanker, has been requested to schedule a public hearing for January 21, 2021 and to provide for the proper public notice of such hearing.

**Recommended Motion:**

I move that the City Council pass Resolution No. 21-2800, amending the 2021 General Government Operating and Capital Budget to increase 2021 intergovernmental revenues of the CARES Act Fund and provide a supplemental appropriation for the Public Health Department in the amount of \$651,516; decreasing the appropriated reserves of the general fund in the amount of \$651,516; and establishing an effective date.

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 21-2800

**A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA AMENDING THE 2021 GENERAL GOVERNMENT OPERATING AND CAPITAL BUDGET TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE PUBLIC HEALTH DEPARTMENT IN THE AMOUNT OF \$651,516; DECREASE THE APPROPRIATED RESERVES OF THE GENERAL FUND IN THE AMOUNT OF \$651,516; AND ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, the City of Ketchikan, Alaska General Government Operating and Capital Budget and appropriations for the year 2021 were adopted by the City Council with the passage of Resolution No. 20-2796; and

**WHEREAS**, funds in the amount of \$651,516 are available in 2021 from the \$12,281,651 that was awarded 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 due to the extension of the expenditures deadline to September 2021; 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 \$651,516 to be distributed immediately in the community and used to help alleviate the public health emergency and the economic hardships caused by the COVID-19 pandemic; and

**WHEREAS**, on January 7, 2021, the City Council directed staff to prepare a supplemental appropriation for the Public Health Department Residential Rent and Mortgage Assistance Program in the amount of \$651,516 for Council consideration, which will reduce the support to the Public Safety Program by the same amount in order to distribute CARES Act funds in the community and 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 2021 revenues and appropriations of the CARES Act Special Revenue Fund are hereby amended as follows:

Revenues:	
CARES Act Funds – State of Alaska	\$651,516
Appropriations:	
Public Health Department	
Residential Rent and Mortgage Assistance Program	\$651,516

**Section 2:** The 2021 appropriations of the General Fund are hereby amended as follows:

Appropriated Reserves (\$651,516)

**Section 3:** This resolution shall become effective immediately upon passage.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council for the City of Ketchikan on this 21st day of January, 2021.

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Robert Sivertsen, Mayor

ATTEST:

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Kim Stanker, City Clerk