

CITY ADMINISTRATOR'S REPORT JUNE WORK SESSION



CARES ACT FUNDING

Attached to this report is a White Paper that discusses in more detail the use of the CARES Act funding. This report is looking for direction for how the Council wants to proceed.

I have participated in multiple Zoom meetings, teleconferences, and discussions concerning how other municipalities are intending to use the funds. The White Paper was constructed from these discussions and documents prepared by the City and Borough of Sitka, City and Borough of Juneau, and others. I have also had conversations with the city attorney about aspects of the funds in order to provide the following information.

The City will receive approximately \$631,000 in total that **must be used prior to December 31, 2020**. The first installment of approximately \$381,000 will be issued to the City upon submission and approval by the State of a Resolution (part of the work session packet) and the grant application. Once 80% of the initial payment has been spent, the City will receive an additional amount of approximately \$125,000, followed by a final payment of approximately \$125,000.

Staff recommends creating an AMLIP account solely for the CARES Act funds to make audits and reviews, as well as tracking of expenditures more effective. Reports must be made monthly to the State. The State will review the reports and verify that the expenditures are valid.

On Thursday, May 21st I met with the Mayor, Fire Chief, and Treasurer to brainstorm ideas to bring to the work session. As a starting point for the discussion, we have discussed the use of the funds within 3 categories: 1) suggesting City facilities measures to address the COVID-19 virus; 2) providing funding to the GVA, The Rookery, and Community Assistance; and 3) creating a grant program for small businesses and nonprofits that were impacted by the virus. The following examples of uses were identified and discussed recognizing the limitations of staffing and the guidance for use of the funds. Please read the White Paper to understand some of the mechanics of using the funds.

Category 1 – City Facilities

The amount of funds to set aside for Category 1 will be determined by the Council. Direction by the Council and the amount of the funds will determine how to use the funds.

- Covered Kiosks for City Hall and the library to post notices and information
- Heat Pump with for City Hall
- Portable HEPA air filter units for City Hall, Fire Station, Community Chest (\$500 ea)
- Update library duct filter system from an HRV to an ERV
- 3 Deep Cleanings for City Hall, the library, and the Community Chest
- IT funding of improvements such as Zoom costs, web page improvements, etc.
- New computer for Clerk's station to better conduct meetings, etc.
- Election supplies for safer voting (e.g. absentee voting)
- New copier for City Hall to provide for all departments and EOC
- Plotter (large scanner/printer) for creating safety and information posters
- DRC/Community Chest – cashier window, Costco tents for temporary outdoor displays, handwashing stations (\$4,000 ea); air purifiers, year-round running water for handwashing, new laptop to enable meetings, webinars, and other trainings (existing laptop struggles to operate)

- Portable handwashing stations to loan out for events (\$1,500 ea)
- Supplies for disinfecting (soaps, bleach, hand sanitizer, replacement filters, gloves, etc.)
- Potable water overhaul for Fire Station; drinking water, 3 hole sink for disinfecting, new washer and dryer (some items currently budgeted)
- Key Card access versus push button for City buildings
- Salaries for the period of 1 March – 31 December – salaries for public safety and public health have been identified as eligible at 100%. Also, salaries for staff that have been diverted to work “substantially different” are eligible. No definition for “substantially different” has been provided. However, in discussions with the city attorney and other municipalities, it is believed that work that is specific to COVID-19 would be eligible.
- Doors with hands-free access
- Protective improvements for City Hall and the library such as plexiglass partitions furniture, copiers, desk-sitter stations, divided table seating, water dispenser improvements, etc.

Category 2 – City Funded Services

This category suggests funding the GVA and The Rookery with CARES Act funds to address the impacts to the community by the virus. Specifically, each nonprofit has essential roles that are necessary for our recovery. I have discussed this approach with the GVA President who will be providing an enhanced project description of the Marketing Plan. I have also discussed this approach with The Rookery’s CEO.

In addition, creating a grant to fund services provided by a small business for the pickup, delivery, and transportation of those who are concerned about circulating in the public for shopping, mail, cargo pickup, or getting around is also provided as an example for use of the funds.

GVA

An example for funding to GVA would be to provide funding to execute the Marketing Plan and provide additional funding that would enhance the capabilities needed to account for impacts to our economy. The suggestion is to remove GVA from the FY21 budget and provide them with \$50,000 to increase activities to get our economy moving and sustainable.

The Rookery

An example for funding to The Rookery would be providing funding in line with the reopening of the daycare services, an essential need for workers in the community. The suggestion is to remove The Rookery from the FY21 budget and provide them with an amount consistent with a proposal. Like many small business and nonprofits, the virus has jeopardized the sustainability of The Rookery.

Community Assistance

This example is addressing a segment of the population with concerns about the virus reaching the town. This group may not have a vehicle and don’t want to walk or bike; may not be able to have someone pickup/deliver goods; or other normal activities currently not available because of their concerns of getting the virus. This service could be provided by local businesses, such as taxi companies, that provide in response to the grant a procedure that protects this population (i.e. a dedicated vehicle for this grant).

Category 3 – Grants

This category suggests that the remaining funds from the first two categories go to grants for small businesses and nonprofits. Staff recommends utilizing the services of contracted sources such as the Small Business Administration and the Foraker Group for nonprofits. Grants are

complicated enough, but to include the many facets of the CARES Act, creating, reviewing, selecting, and ensuring proper reporting would require additional City staff. The cost of having these services contracted will be provided in the very near future.

As payments will be received in 3 installments, expenditures could be scheduled to match the deposits. For example, not all of the Category 1 expenditures have to be made with the first deposit, but still ensuring that expenditures reach the required 80% necessary to receive the second deposit.

How would the Council like to proceed? Options may include:

- Convene a special work session for discussion
- Follow the above suggested approach
- Other



REOPEN GUSTAVUS

With the likely expiration of the State's interstate travel restrictions, the Council may wish to discuss a reopening plan. One approach could be a work group composed of 2 Council members and 2 business/community members to outline a plan that includes guidelines, information, and practices. In addition, a discussion of a method to communicate the plan to the community, businesses, and potential visitors may be considered.

The Council may wish to consider having the Council representatives or staff provide updates and/or reports to the Council via e-mail as the plan is being developed. Then, once the plan is in its final draft format, the plan could be submitted to the Council for approval and implementation. **Is the Council interested creating a Reopen Gustavus work group?**