

Discussion / Direction


on what level of information the Assembly would like to see before the Administrator enters any CARES Act contracts or subrecipient agreements.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: John Leach, Municipal Administrator 
Date: August 5, 2020
Subject: CARES Act Funding – Contracts and Subrecipient Agreements

Background

It was proposed at the May 19th Assembly work session that a Working Group (WG) be established to design a framework for CARES Act funds. The framework would be presented to the Assembly for modification and approval as appropriate and would include criteria for local applicants to qualify for CARES grants.

Analysis

The formally chartered CARES Act WG developed a budget outline which addresses six (6) specific funding categories. The below outlined CARES funding design was approved by a 4-1 vote at the July 7, 2020 Special Assembly Meeting. The categories are as follows:

Category 1: Utility/Moorage Assistance

Category 2: Business and Non-profit Grants

Category 3: New City Funded Programs

Category 4: City Impact/Mitigation Spending

Category 5: Sitka School District Request

Category 6: Contingency

The proposed CARES Act budget was approved on second reading at the July 7, 2020 Assembly meeting.

Fiscal Note

Sitka is scheduled to receive \$14,057,653.37 in CARES Act funding. This funding is Federal support to be passed through the State of Alaska.

The CARES Act provides that funding may only be used to cover costs that -

- (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- (2) are not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and
- (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The budgets approved at the July 7, 2020 Special Meeting are as follows:

Category 1: Utility/Moorage Assistance - \$4.5M (program active)

- Program approved at June 9th regular Assembly meeting and applications are active

Category 2: Business and Non-profit Grants - \$5M (program active)

- \$2,500 grant for businesses/nonprofits with 2019 revenues under \$100,000
- \$5,000 for businesses/nonprofits with 2019 revenues of over \$100,000 but less than \$250,000
- \$7,500 for businesses/nonprofits with 2019 revenues of over \$250,000 but less than \$500,000
- \$10,000 for businesses/nonprofits with 2019 revenues of over \$500,000
- The gross revenue for my business or nonprofit does not appropriately capture the scope of the services my business or nonprofit provides to the community and I would like the Assembly to consider, in public session, awarding at a higher level.

Category 3: New City Funded Programs - \$2.5M

- **Childcare \$500,000** (possible per child subsidy, additional funding to increase capacity)
- **Food security \$200,000** (partnering with STA, SCS, USDA grants, ensuring local meal and pantry programs covered as well)
- **Support for behavioral/mental health \$300,000** (Possible organizational voucher/subsidy per uninsured client served)
- **Housing support \$750,000** (Crisis/emergency, Re-housing, transitional)
- **Transitional Employment Program \$750,000** (Unemployed/under-employed hired to work on projects in Sitka)

Category 4: City Impact/Mitigation Spending - \$1M

- **Mitigation/preparation**
 - IT
 - Protection of employees and public
 - Ensure continued services in event of shutdown
 - CARES spending consultation
- Cover significant portion of cost of **public safety**

Category 5: Sitka School District Request - \$430K

- Americorps volunteers and laptop purchases.

Category 6: Contingency - \$627,653 plus any interest earned on funds held

- To be available if a known or unknown urgent COVID need arises. If not spent, could either go towards another round of utility subsidy or to CBS public safety costs.

Direction Requested

As the CARES WG develops contracts and subrecipient agreements to administer the budgeted and approved programs, what level of information would the Assembly like to see before the Administrator enters any contracts or subrecipient agreements?

A few items to consider:

- Some programs are time sensitive and would be delayed if multiple Assembly meetings are required.
- All contracts and subrecipient agreements would be administered within the approved budget.
- Any need for additional funds or reappropriation of funds to other categories would be brought to the Assembly for approval.
- This discussion/direction item could be left on all upcoming Assembly meetings until expiration of CARES funding to ensure regular updates and guidance.