



Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3130-2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, DECREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL FUND, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE COVID-19 CARES ACT RECOVERY FUND AND ACCEPTING FEDERAL CARES ACT FUNDING PASSED THROUGH THE STATE OF ALASKA FOR EXPENDITURES IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY, WAIVING THE \$5,000 LIMITATION IN KMC 7.25.020 (A) ON THESE FUNDS TO ALLOW THE CITY MANAGER TO ALLOCATE THE FUNDS TO THE PROPER ACCOUNT AS NEEDS ARISE AND DECLARING AN EMERGENCY.

WHEREAS, the World Health Organization declared COVID-19 as a pandemic on March 11, 2020; and,

WHEREAS, the first coronavirus patient in Alaska was diagnosed in Anchorage on March 12, 2020, and other positive diagnoses have since occurred on the Kenai Peninsula; and,

WHEREAS, Governor Mike Dunleavy issued a Declaration of Public Health Disaster Emergency on March 11, 2020, and the President of the United States issued a Proclamation Declaring a National Emergency on March 13, 2020; and,

WHEREAS, on March 18, 2020, the City Manager declared a local disaster emergency that was extended the same day by the City Council; and,

WHEREAS, on March 24, 2020, the City Council enacted Ordinance 3115-2020 granting the City Manager City certain emergency powers; and,

WHEREAS, on April 9, 2020 President Donald J. Trump approved a Disaster Declaration for the State of Alaska; and,

WHEREAS, Ordinance 3126-2020 appropriated \$50,000 in Federal CARES Act Funding in the City's General Fund; and,

WHEREAS, the administration has determined the use of a separate fund to account for all expenditures in response and recovery from the COVID-19 Public Health Emergency is most efficient; and,

WHEREAS, deleting the appropriation made by Ordinance 3126-2020 and appropriating the entire amount to be provided to the City by the State of Alaska into a single fund for tracking and reporting purposes is in the best interest of the City; and,

WHEREAS, pursuant to KMC 1.15.70(d) the City may introduce and finally pass on the same day, an ordinance making, repealing, transferring or otherwise changing an appropriation; and,

WHEREAS, state law and City Charter allow for emergency ordinances when necessary to preserve public, peace health and safety; and,

WHEREAS, Kenai Municipal Code 7.25.020 – City Budget Control, limits the City Manager’s authority to allocate funds in amounts \$5,000 or greater; and,

WHEREAS, as federal CARES Act funds become available and are expended, the City Manager needs authority to allocate budget amounts within and between departments as expenditures related to the COVID-19 Public Health Emergency arise in a time sensitive manner; and,

WHEREAS, consistent and scheduled reports from administration providing updates on the progress of any grant programs or other disbursement of funds, along with additional special Council meetings as needed, will assure that funds are utilized in a manner that maximizes the economic benefit of these funds to the residents of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

Section 1. Classification: that this Ordinance is not of a general and permanent nature and shall not be codified.

Section 2. Declaration of Emergency: That the COVID-19 public health emergency has created an emergency recognized on the federal, state and local level and that this Ordinance is necessary to immediately preserve public peace, health and safety.

Section 3. That the City Manager is authorized to accept a grant in the amount of \$7,700,832 from the Federal Government passed through the State of Alaska for expenditures in response to and recovery from the COVID-19 Public Health Emergency.

Section 4. That the City Manager is authorized to execute grant agreements to accept these funds.

Section 5. That the estimated revenues and appropriations be decreased as follows:

General Fund:

Decrease Estimated Revenues – Federal Grants	<u>\$50,000</u>
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Decrease Appropriations – Non-Departmental – General Contingency	<u>\$50,000</u>
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Section 6. That the estimated revenues and appropriations be increased as follows:

COVID-19 Cares Act Recovery Fund:

Increase Estimated Revenues – Federal Grants	<u>\$7,700,832</u>
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Increase Appropriations – First Responder & Incident Management Team Payroll -	
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General Contingency	\$2,500,000
Business and Not-for-Profit Entity Recovery Grants - General Contingency	3,000,000
CARES Act Administration & Non-Payroll Expenditures - General Contingency	300,000
Individual Assistance Grants - General Contingency	900,832
City Resiliency and Recovery General Contingency	<u>1,000,000</u>
	<u>\$7,700,832</u>

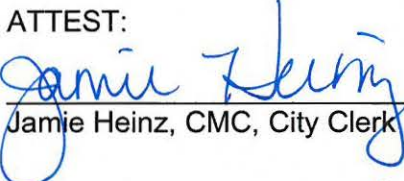
Section 7. That the limitation of transferring less than \$5,000 within each department in KMC 7.25.020 is waived to allow the City Manager to allocate funds to the correct accounts as expenditures arise. Further, the limitation in KMC 7.25.020 to move less than \$5,000 between departments is increased to \$20,000 with transfers of more than \$20,000 requiring a resolution by the City Council.


Section 8. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 9. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 20th day of May, 2020.


BRIAN GABRIEL SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

Approved by Finance: 



Introduced: May 20, 2020
Enacted: May 20, 2020
Effective: May 20, 2020



KENAI

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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
FROM: Paul Ostrander, City Manager
DATE: May 15, 2020
SUBJECT: Ordinance No. 3130-2020, CARES Act Recovery Funding

The City of Kenai expects to receive \$7,700,832 from the Federal Government passed through the State of Alaska for expenditures in response to and recovery from the COVID-19 Pandemic Emergency. Pursuant to the Revised Program Legislative (RPL) requirements, communities receiving these payments will be required to certify compliance with federal guidance regarding expenditures of CARES Act funds and that communities will be required to reimburse the State for any misspent funds. Payments will be spread between FY2020 and FY2021. The first payment the City will receive will be in FY2020 in the amount of \$4,140,355. Because of ongoing litigation concerning the legality of using the RPL process to appropriate these funds, it is unknown when these funds will be distributed, although payment before the end of May is likely. The City is scheduled to receive our second payment in the amount of \$1,780,238 on July 1, 2020 and a third payment in the amount of \$1,780,238 is scheduled for disbursement on October 1, 2020. The RPL's also state that the two FY2021 payments will only be made when 80% of the prior payment has been expended. This requires a careful balance of expedient, yet responsible and transparent utilization of the funding.

Administration has evaluated an approach to distributing the economic recovery funds according to an allocation model to determine how to best support the long-term recovery of our local economy. This approach includes an allocative model for expenditure of these funds which is designed to identify broad categories, both governmental and private, where expenditures are necessary due to impacts associated with the COVID-19 crisis.

This ordinance creates a special revenue fund; COVID-19 Cares Act Recovery Fund, with five departments described as follows:

\$2,500,000 – First Responder and Incident Management Team Payroll. This allocation includes a reimbursement of City payroll expenses for Fire Department, Police Department, Public Safety Dispatch and Incident Management Team.

\$3,000,000 – Business and Not-for Profit Entity Recovery Grants. This allocation includes grant awards to qualifying City of Kenai businesses or non-profits impacted by COVID-19 to offset

impacts or to provide mitigation. The City will administer a grant program to determine eligibility restrictions and requirements that may apply. Once fully developed, the grant program guidelines will be brought to Council in the form of a resolution for consideration.

\$300,000 – CARES Act Administration & Non-Payroll Expenditures. This allocation includes reimbursement of City expenses related to COVID-19, which have been documented. These expenses include City purchases to ensure the health and safety of City employees and residents due to the disaster. All expenditures from this department will follow all City code requirements.

\$900,832 – Individual Assistance Grants. This allocation includes grant awards to qualifying City of Kenai households impacted by COVID-19 to offset impacts. The City will administer a grant program to determine eligibility restrictions and requirements that may apply. Once fully developed, the grant program guidelines will be brought to Council in the form of a resolution for consideration.

\$1,000,000 City Resiliency and Recovery. This allocation will include City of Kenai capital projects or expenses intended to mitigate the impacts of COVID-19. All expenditures from this department will follow all City code requirements.

To achieve the efficiency needed to utilize these funds in the timeframe allowed under the CARES Act, this ordinance waives and / or modifies certain provisions of KMC 7.25.020. KMC 7.25.020, the limitation of transferring less than \$5,000 within each department is waived to allow the City Manager to allocate funds to the correct accounts as expenditures arise. Further, the limitation in KMC 7.25.020 to move less than \$5,000 between departments is increased to \$20,000 with transfers of more than \$20,000 requiring a resolution by the City Council.

As federal CARES Act funds become available and are expended in accordance with Federal and State guidelines, the City Manager needs the authority to allocate budgeted amounts as expenditures related to the COVID-19 Pandemic that arise in a time sensitive manner. The above allocative framework provides Administration guidance in expending funds to best serve the citizens of Kenai with responsible management.

Your consideration is appreciated.

