



Homer City Hall

491 E. Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer Agenda

City Council Worksession

Monday, July 27, 2020 at 4:00 PM

City Hall Cowles Council Chambers via Zoom Webinar

Dial (253) 215 8782 or (669) 900 6833 or Toll Free (888) 788 0099 or (877) 853 5247

Webinar ID: 965 8631 4135 Password: 792566

CALL TO ORDER, 4:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

DISCUSSION TOPIC(S)

- a. Water and Sewer Rate Review
- b. Resolution 20-071, A Resolution of the City Council of Homer, Alaska Establishing the Nonprofit Economic Relief Grant Program (NERG), Household Economic Relief Grant Program (HERG), Social Services Economic Relief Grant Program (SOSERG), And Childcare Business Economic Relief Grant Program (CBERG) in Response to the Economic Downfall Caused by Measures taken to Assure Public Safety in the Face of the Covid-19 Pandemic. Lord/Aderhold/Venuti. (If time allows)

Memorandum 20-111 from Interim City Manager as backup

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT NO LATER THAN 4:50 P.M.

Next Regular Meeting is Monday, August 10, 2020 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held virtually from the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Revenues & Expenses - Utility Fund

| | FY 19 Budget | FY 19 Actual ¹ | FY 20 Budget |
|---|------------------|---------------------------|------------------|
| Water | | | |
| Meter Sales | 1,959,352 | 2,135,044 | 1,953,016 |
| Other Revenue | 56,949 | 160,683 | 65,435 |
| Hydrant Transfer | 100,350 | 100,350 | 99,629 |
| Water Fund - Total Revenue | 2,116,651 | 2,396,077 | 2,118,081 |
| Salaries, Wages & Benefits ² | 936,692 | 938,111 | 989,587 |
| Maintenance & Operations ³ | 1,068,645 | 923,713 | 1,029,312 |
| Transfers to: | | | |
| Reserves | 84,252 | 84,252 | 81,240 |
| Other | 27,062 | 27,062 | 17,942 |
| HAWSP per ORD 19-58 | | 1,550,541 | |
| Water Fund - Total Expenses | 2,116,651 | 3,523,679 | 2,118,081 |
| Revenues over Expenses | - | (1,127,602) | - |
| Sewer | | | |
| Meter Sales | 1,681,475 | 1,721,738 | 1,610,830 |
| Other Revenue | 40,539 | 34,257 | 31,426 |
| Sewer Fund - Total Revenue | 1,722,014 | 1,755,995 | 1,642,256 |
| Salaries, Wages & Benefits ² | 765,138 | 754,822 | 809,377 |
| Maintenance & Operations ³ | 768,805 | 617,146 | 799,490 |
| Transfers to: | | | |
| Reserves | 155,164 | 294,667 | 14,856 |
| Other | 32,907 | 25,531 | 18,533 |
| HAWSP per ORD 19-58 | | 1,550,541 | |
| Sewer Fund - Total Expenses | 1,722,014 | 3,242,707 | 1,642,256 |
| Revenues over Expenses | - | (1,486,712) | - |
| Utility Fund Total | 0 | (2,614,313) | 0 |

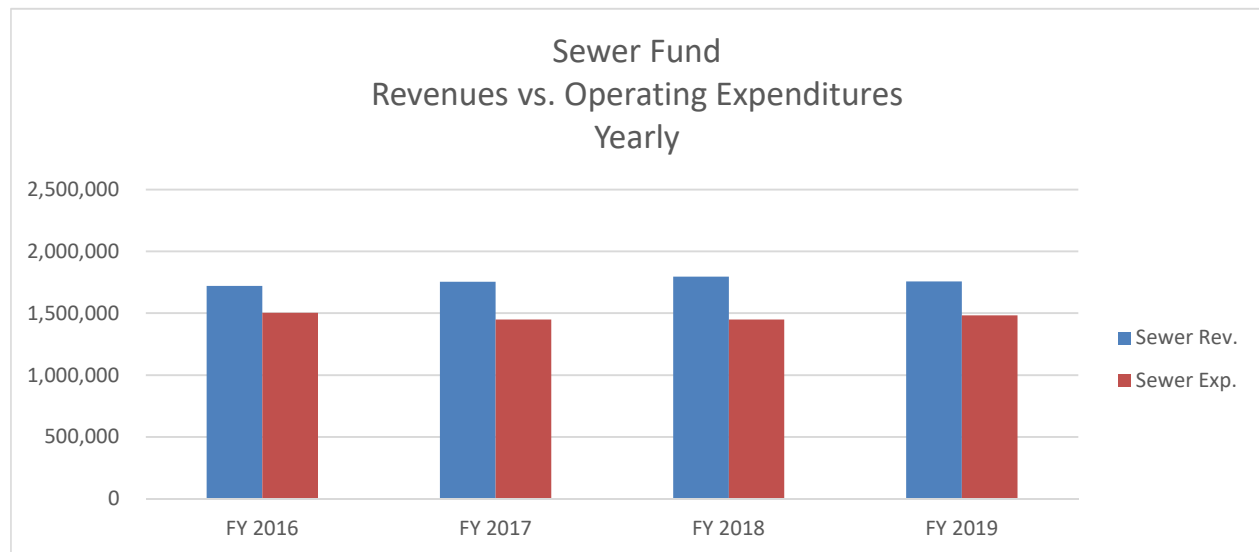
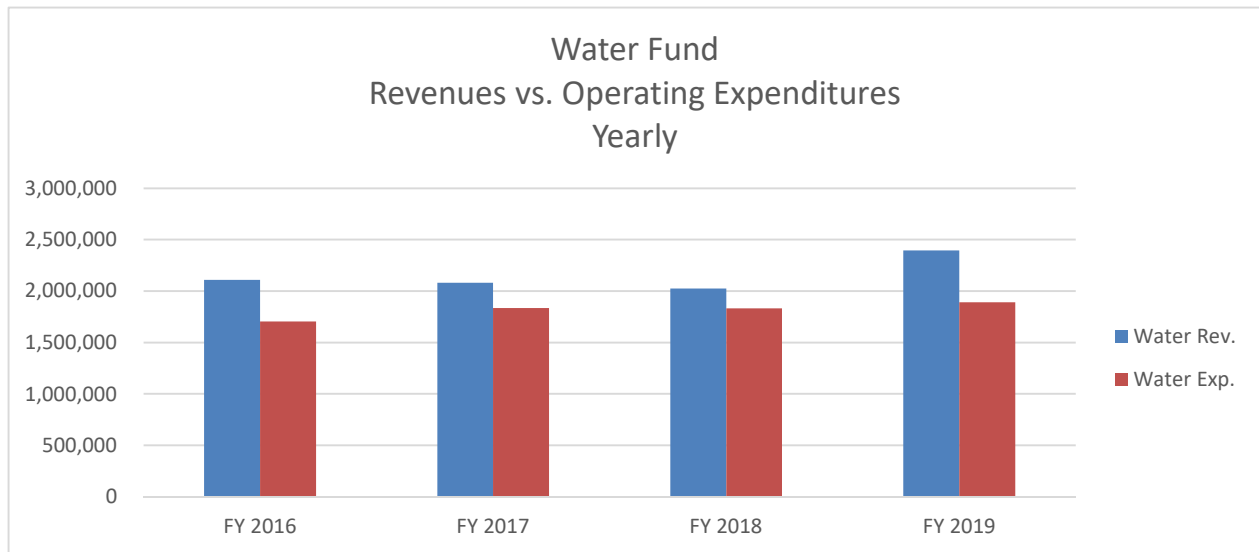
¹ Unaudited (Independent Audit will be finalized by the end of December 2020)

² Includes leave cash out

³ Includes GF admin fees (overhead costs)

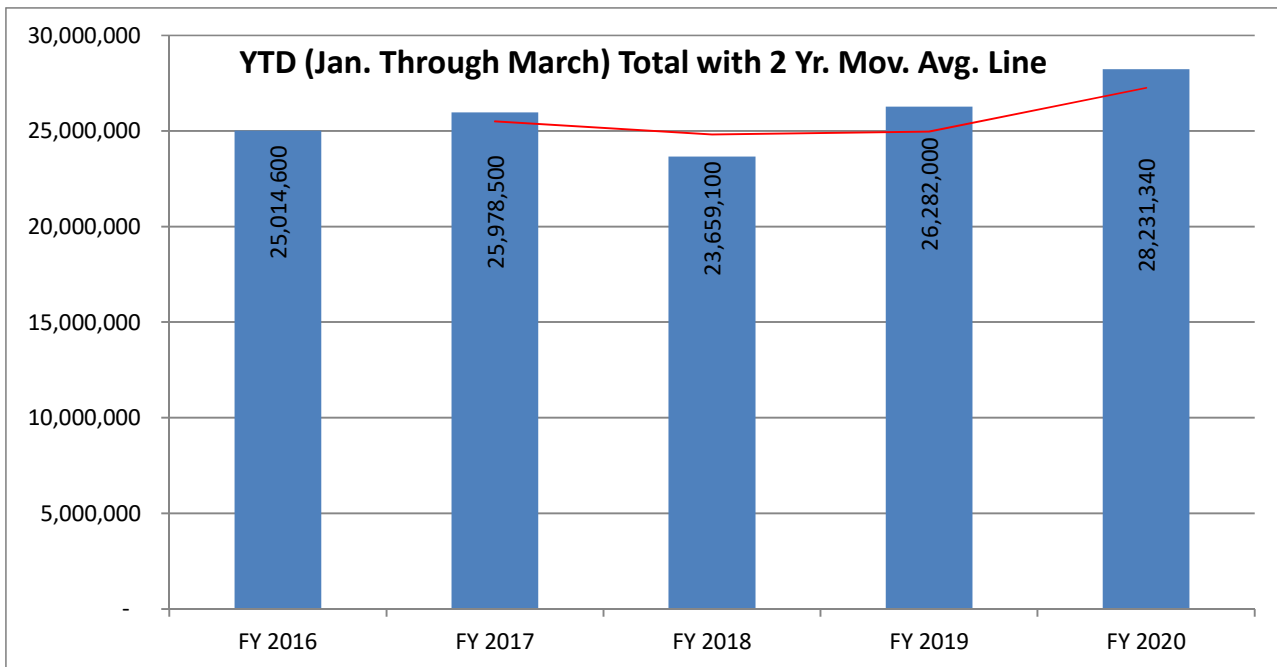
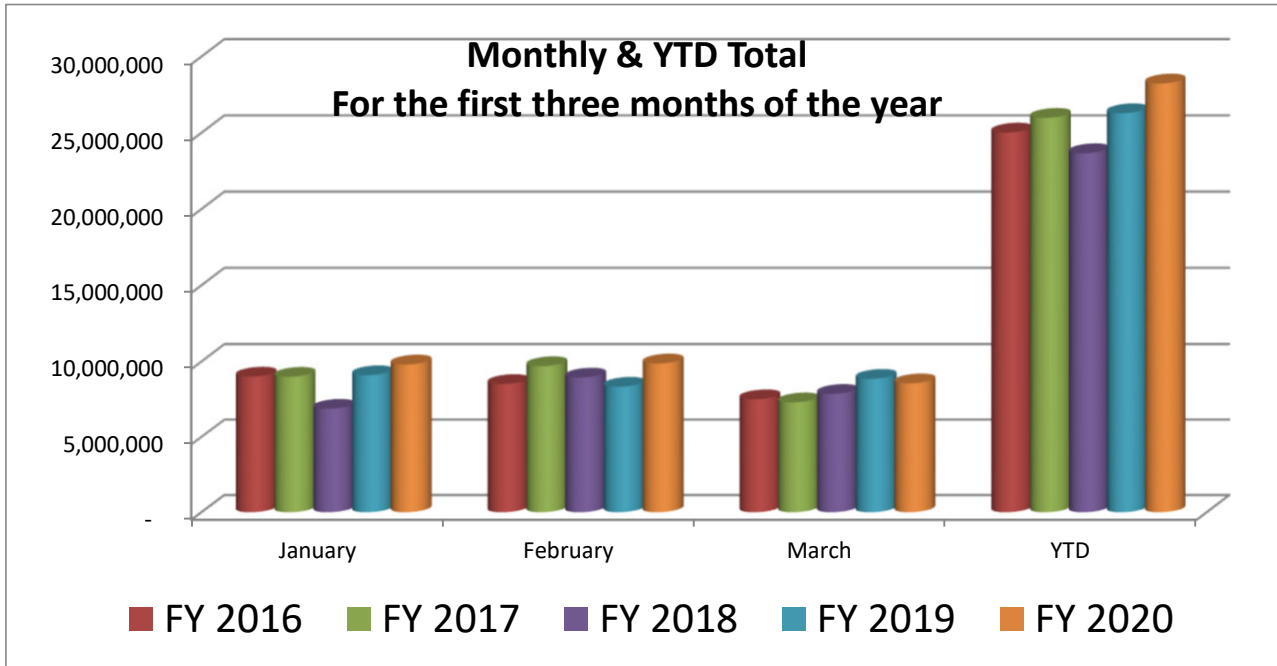
Yearly Comparison: Revenues vs. Expenditures (Unaudited)

| | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> | <u>FY 2019</u> |
|--|----------------|----------------|----------------|----------------|
| Water Fund Revenues | 2,108,835 | 2,081,823 | 2,025,795 | 2,396,077 |
| Water Fund Expenditures (excluding transfer to reserves) | 1,704,623 | 1,835,757 | 1,832,747 | 1,891,719 |
| Water: Revenues over (Under) Expenditures | 404,212 | 246,067 | 193,048 | 504,359 |
| Sewer Fund Revenues | 1,719,555 | 1,753,457 | 1,796,253 | 1,755,995 |
| Sewer Fund Expenditures (excluding transfer to reserves) | 1,503,397 | 1,447,921 | 1,449,638 | 1,482,179 |
| Sewer: Revenues over (Under) Expenditures | 216,158 | 305,536 | 346,614 | 273,816 |
| Water & Sewer: Total Revenues Over (Under) Expenditures | 620,370 | 551,602 | 539,663 | 778,175 |



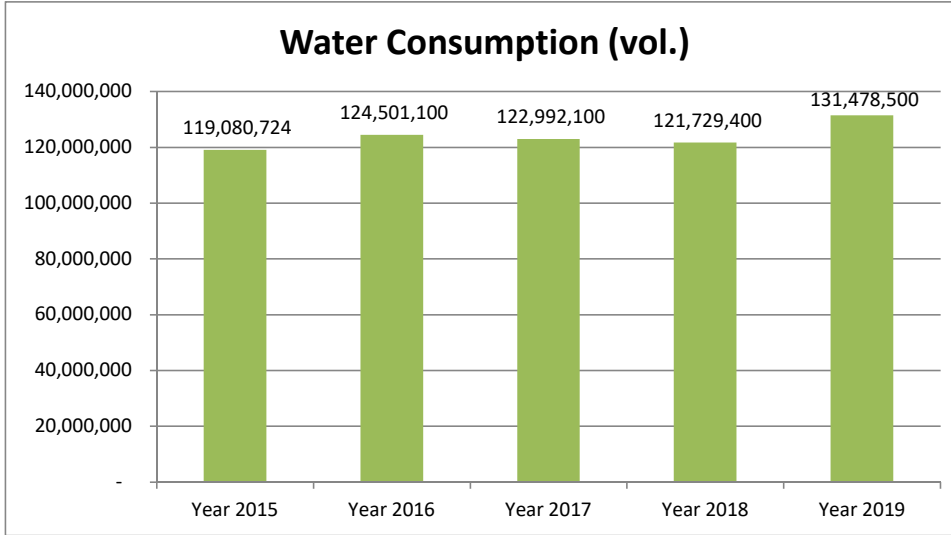
Water Consumption (Gallons)

| <u>Yr.\Mo.</u> | <u>January</u> | <u>February</u> | <u>March</u> | <u>YTD</u> |
|----------------|----------------|-----------------|--------------|-------------------|
| FY 2016 | 9,005,200 | 8,511,100 | 7,498,300 | 25,014,600 |
| FY 2017 | 8,991,000 | 9,692,600 | 7,294,900 | 25,978,500 |
| FY 2018 | 6,868,000 | 8,937,000 | 7,854,100 | 23,659,100 |
| FY 2019 | 9,094,800 | 8,332,000 | 8,855,200 | 26,282,000 |
| FY 2020 | 9,804,800 | 9,870,840 | 8,555,700 | 28,231,340 |

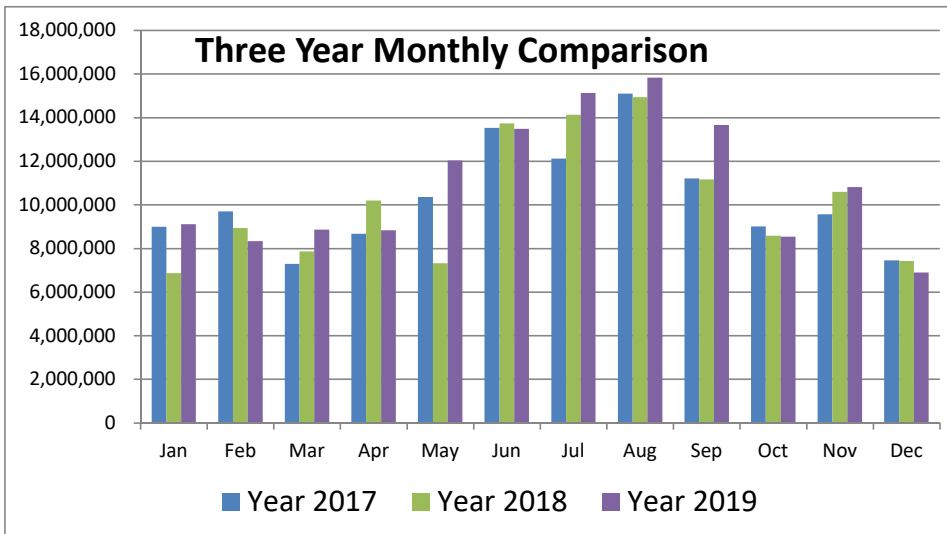


Water Consumption

| By Year | <u>Year 2015</u> | <u>Year 2016</u> | <u>Year 2017</u> | <u>Year 2018</u> | <u>Year 2019</u> |
|--------------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Water (vol.) | 132,291,300 | 131,119,200 | 133,502,000 | 132,695,300 | 139,429,700 |
| <i>Operational Adj.</i> | <i>(13,210,576)</i> | <i>(6,618,100)</i> | <i>(10,509,900)</i> | <i>(10,965,900)</i> | <i>(7,951,200)</i> |
| Water (vol.) after adj. | 119,080,724 | 124,501,100 | 122,992,100 | 121,729,400 | 131,478,500 |

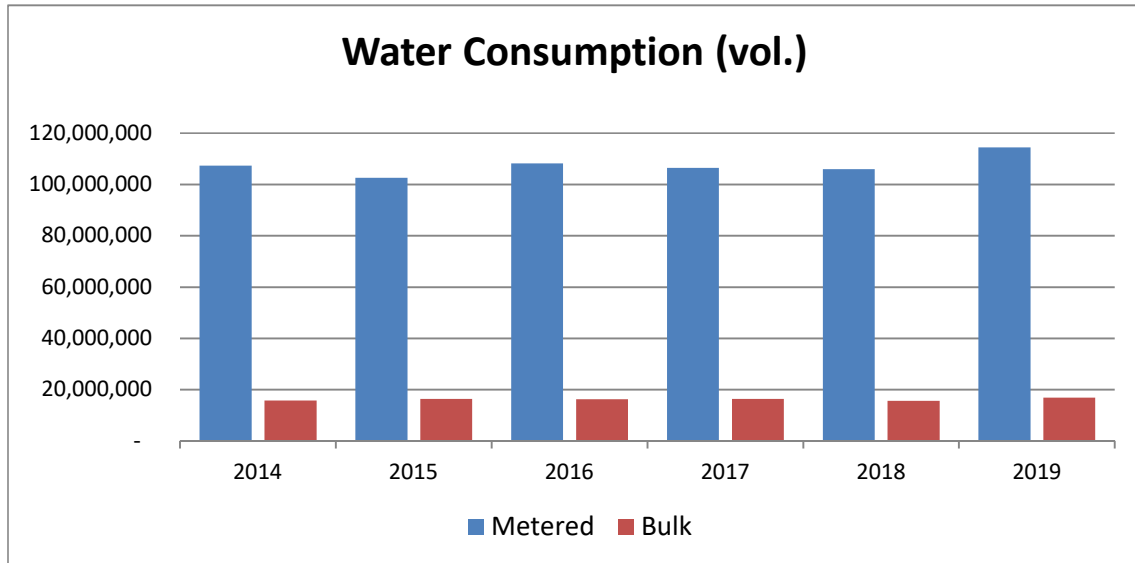


| <u>Month\Year</u> | <u>Year 2017</u> | <u>Year 2018</u> | <u>Year 2019</u> |
|-------------------|---------------------------|---------------------------|---------------------------|
| Jan | 8,991,000 | 6,868,000 | 9,103,200 |
| Feb | 9,692,600 | 8,937,000 | 8,332,000 |
| Mar | 7,294,900 | 7,854,100 | 8,855,200 |
| Apr | 8,675,000 | 10,193,800 | 8,824,900 |
| May | 10,350,500 | 7,316,900 | 12,032,800 |
| Jun | 13,528,300 | 13,734,900 | 13,484,800 |
| Jul | 12,119,600 | 14,120,300 | 15,128,900 |
| Aug | 15,091,400 | 14,931,500 | 15,826,800 |
| Sep | 11,213,400 | 11,169,500 | 13,661,900 |
| Oct | 9,010,900 | 8,587,200 | 8,532,500 |
| Nov | 9,569,500 | 10,593,700 | 10,804,200 |
| Dec | 7,455,000 | 7,422,500 | 6,891,300 |
| | <u>122,992,100</u> | <u>121,729,400</u> | <u>131,478,500</u> |
| | -1.2% | -1.0% | 8.0% |



| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Metered | 107,403,206 | 102,688,524 | 108,248,600 | 106,566,800 | 106,018,000 | 114,529,600 |
| Bulk | 15,815,000 | 16,392,200 | 16,252,500 | 16,425,300 | 15,711,400 | 16,948,900 |
| Total Consumption* | 123,218,206 | 119,080,724 | 124,501,100 | 122,992,100 | 121,729,400 | 131,478,500 |
| Bulk as % of Total Volume | 12.83% | 13.77% | 13.05% | 13.35% | 12.91% | 12.89% |

*Includes Operational Adjustment



Rate Calculations

| WATER Rate Model | |
|---|--------------|
| Revenues | |
| 2020 Total Revenue Required - Water | \$ 1,911,348 |
| 15% Reserve Requirement | 286,702 |
| Deduct Portion Collected through Service Fee | (286,547) |
| Hydrant Rents (10% of Total) | (95,567) |
| Surplus Water Sales (Bulk) surcharge only | (67,796) |
| Revenue Required for Commodity Rate Calculation | \$ 1,748,140 |
| Water Consumption (Gallons) | |
| Total Estimated Water Sales | 131,000,000 |
| Water Rates: | |
| Commodity Rate (per gal) | \$ 0.0133 |
| Bulk Rate (per gal) | \$ 0.0173 |
| Monthly Fees | \$ 13 |
| Consumption Additional Information: | |
| FY19 Gross Meters Water Sales (Gallons) | 131,478,500 |
| SEWER Rate Model | |
| Revenues | |
| 2020 Total Operating Revenue Required - Sewer | \$ 1,627,400 |
| 15% Reserve Requirement | 244,110 |
| Lift Stations Costs | (217,160) |
| Pumping Fee | (10,050) |
| Dumping Station Fees | (5,978) |
| Multi-Units and K-city (\$5/unit/mo.) | (70,320) |
| Revenue Required for Commodity Rate Calculation | \$ 1,568,002 |
| Sewer Usage (Gallons) | |
| Projected Billable Volume | 78,000,000 |
| Projected Billable Volume - Lift Zone Only | 22,000,000 |
| Total Projected Billable Volume | 100,000,000 |
| Sewer Rate | |
| Non-Lift Station Rate | \$ 0.0157 |
| Lift Station Rate | \$ 0.0256 |
| Lift Station Additional Information: | |
| FY 19 Actually Billed Gallons (Lift 7 on Zone Only) | 21,706,300 |

City of Homer
Water and Sewer Rate Study

| WATER | | | |
|--------------------------------------|--------------------|-------------|--|
| Descriptions | Units | Rate | Projected Revenue - for FY 2020 |
| Total Metered Water Sales | 131,000,000 | | |
| Bulk Water Sales | 17,000,000 | \$ 0.0173 | \$ 294,858 |
| Metered Water Sales (excluding Bulk) | 114,000,000 | \$ 0.0133 | \$ 1,521,282 |
| Service Charges | 1,808 | \$ 13.00 | \$ 282,048 |
| Hydrant Rents | | | \$ 95,567 |
| Total Projected Revenue | | | \$ 2,193,756 |
| FY 2020 Projected Water Budget | | | \$ 2,198,050 |
| | | | \$ (4,294) |

| SEWER | | | |
|---|--------------------|-------------|--|
| Descriptions | Units | Rate | Projected Revenue - for FY 2020 |
| Projected Total Billable Sewage Discharge (Gal.) | 100,000,000 | | |
| Billable Volume from Lift-Station Zone (Gal.) | 22,000,000 | \$ 0.0256 | \$ 562,120 |
| Billable Volume from Non-Lift-Station Zone (Gal.) | 78,000,000 | \$ 0.0157 | \$ 1,223,042 |
| Multi-Units (Including K-city) | 1,172 | \$ 5.00 | \$ 70,320 |
| Kachemak City pumping charges | 134 | \$ 6.25 | \$ 10,050 |
| Dumping Station Fees | | | \$ 5,978 |
| Total Projected Sewer Revenue | | | \$ 1,871,510 |
| FY 2020 Projected Sewer Budget | | | \$ 1,871,510 |
| | | | 0 |

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Lord/Aderhold/Venuti

4 **RESOLUTION 20-071**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER ESTABLISHING
7 THE NONPROFIT ECONOMIC RELIEF GRANT PROGRAM (NERG),
8 HOUSEHOLD ECONOMIC RELIEF GRANT PROGRAM (HERG),
9 SOCIAL SERVICES ECONOMIC RELIEF GRANT PROGRAM (SoSERG),
10 AND CHILDCARE BUSINESS ECONOMIC RELIEF GRANT PROGRAM
11 (CBERG) IN RESPONSE TO THE ECONOMIC DOWNFALL CAUSED BY
12 MEASURES TAKEN TO ASSURE PUBLIC SAFETY IN THE FACE OF
13 THE COVID-19 PANDEMIC.
14

15 WHEREAS, On January 31, 2020, the United States Department of Public Health and
16 Human Services Secretary, Alex Azar, declared a public emergency for the novel coronavirus
17 (COVID-19) beginning on January 27, 2020; and
18

19 WHEREAS, On March 11, 2020, Governor Mike Dunleavy signed a Public Health Disaster
20 Emergency Declaration that provided for health mandates to be issued when deemed
21 necessary by the Alaska Department of Health and Social Services, the Alaska Chief Medical
22 Officer, the Alaska Division of Public Health, and the Office of the Governor; and
23

24 WHEREAS, On March 17, 2020, Governor Dunleavy, in recognition of the tremendous
25 negative economic consequences of imposing social and business restrictions to avoid a rapid
26 spread of the virus effects, created the Alaska Economic Stabilization Team, a bipartisan group
27 of leaders working with the Dunleavy administration on a plan to protect the state's economy
28 from the impacts of COVID-19 in Alaska; and
29

30 WHEREAS, On March 18, 2020, Ken Castner, Mayor of the City of Homer, issued a
31 Declaration of a Local Emergency, later ratified and extended by the Homer City Council
32 through Resolution 20-029, that found there to be "a wide-spread financial and public health
33 emergency that will require unexpected expenditures of public funds that should be separately
34 accounted, to perhaps be eligible for Emergency Disaster Relief"; and
35

36 WHEREAS, The Dunleavy administration issued a series of compulsory, and later
37 suggestive, directives and mandates that closed many businesses, placed restrictions on those
38 businesses that might remain open, ceased most interstate and intrastate travel, and generally
39 kept most citizenry isolated at home; and
40

41 WHEREAS, The Dunleavy administration issued a series of compulsory, and later
42 suggestive directives and mandates including "stay at home" orders, the banning of gatherings

43 of more than 10 people for social, spiritual, and recreational purposes, and further imposed
44 that any activities outside the home meet social distancing and personal safety requirements;
45 and

46
47 WHEREAS, The cumulative effects of the State mandates and restrictions have caused
48 significant negative economic impacts to individuals and households such as lost employment
49 and reduced work hours; have impacted the ability of nonprofit organizations to raise funds
50 needed to operate and provide services; have resulted in a greater local need for and to
51 support social services; and have compromised the ability of childcare service providers to
52 operate safely; and

53
54 WHEREAS, Supporting individuals and households during this period of economic
55 hardship is in the best interest of the City; and

56
57 WHEREAS, Nonprofits provide regular, ongoing essential services to City of Homer
58 residents and contribute to the fabric and culture of our thriving community while also
59 providing substantial positive economic impact and employment opportunities; and

60
61 WHEREAS, Nonprofits and businesses that provide social services to individuals and
62 households in the City of Homer are critical to support during a time of pandemic and
63 economic downturn; and

64
65 WHEREAS, Continued functioning of childcare services is critical for individuals and
66 households to return to work and childcare service providers struggle to remain viable while
67 following Centers for Disease Control (CDC) health guidelines in the face of COVID-19; and

68
69 WHEREAS, The State of Alaska received \$562.5 million in federal funding under the
70 Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that is directed to Alaska's
71 municipalities for direct relief designed to help meet each community's unique needs and
72 costs associated with coping with COVID-19; and

73
74 WHEREAS, The City of Homer's total allocation is \$7,899,085.29: and

75
76 WHEREAS, On May 26, 2020, the Homer City Council passed Resolution 20-051
77 accepting the CARES Act grant and authorizing the City Manager to sign the grant agreement;
78 and

79
80 WHEREAS, The first distribution to the City, \$3,867,758.79, was appropriated via
81 Ordinance 20-25(S) on June 8, 2020; and

82

83 WHEREAS, Two subsequent distributions of \$2,015,663.25 will be available to the city
84 on or about July 1, 2020 and October 1, 2020 once the City has expended 80% of previous
85 distributions; and

86
87 WHEREAS, The City Council established the Small Business Economic Relief Grant
88 (SBERG) Program through Resolution 20-057 on June 8, 2020; and

89
90 WHEREAS, The COVID-19 pandemic and City actions taken as a result to protect public
91 health as described above have created immediate necessity for further economic relief
92 programs to the community in the form of grants to individuals and households residing in the
93 City of Homer and nonprofit organizations, social service nonprofits and businesses, and
94 childcare service providers providing services to City of Homer residents; and

95
96 WHEREAS, The expenses associated with these additional COVID-19 economic relief
97 programs were incurred during the period that begins on March 1, 2020 and ends on December
98 31, 2020 and are not accounted for in the FY20-21 budget.

99
100 NOW THEREFORE BE IT RESOLVED that the City of Homer establishes the following
101 programs to respond to the economic hardships caused by the COVID-19 pandemic and
102 associated health mandates:

- 103
104 a) Household Economic Relief Grant (HERG) Program
105 b) Nonprofit Economic Relief Grant (NERG) Program
106 c) Social Services Economic Relief Grant (SoSERG) Program
107 d) Childcare Business Economic Relief Grant (CBERG) Program

108
109 BE IT FURTHER RESOLVED that the City's ability to successfully run these programs is
110 contingent upon receiving CARES Act funding from the State of Alaska.

111
112 BE IT FURTHER RESOLVED that the parameters of the abovementioned programs are
113 adopted as the HERG, NERG, SoSERG, and CBERG program policies under this resolution.

114
115 BE IT FURTHER RESOLVED that the City of Homer will exercise best efforts to
116 communicate the opportunities for these programs throughout the community and provide
117 technical assistance to anyone who is working to submit successful applications to the grant
118 programs.

119
120 BE IT FURTHER RESOLVED that the City administration will provide regular reports to
121 the Homer City Council about the status of these programs including information such as the
122 number of applications received, number of applications processed, issues encountered, and
123 account balances of program funds.

124

125 BE IT FURTHER RESOLVED that these programs will be issued with a given application
126 period to assess whether additional funds for the programs are needed or to assess if unspent
127 funds allocated to these programs need to be reappropriated to meet other needs.
128

129 BE IT FURTHER RESOLVED that nothing in this Resolution shall preclude the Homer City
130 Council from creating additional distributions to the community that follow CARES Act
131 prescriptions, and that the provisions in this Resolution become effective upon adoption and
132 shall continue until further formal action of the Homer City Council or until the date that all
133 CARES Act funds must be expended on eligible costs by December 30, 2020.
134

135 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ___ day of _____,
136 2020.

137
138 CITY OF HOMER

139
140 _____
141 KEN CASTNER, MAYOR
142

143
144 ATTEST:

145
146 _____
147 MELISSA JACOBSEN, MMC, CITY CLERK
148

149 Fiscal Note: N/A

1 **City of Homer Household Economic Relief Grant Program Policy Draft**

2
3 **Purpose**

4 The Household Economic Relief Grant (HERG) Program is designed to provide
5 economic relief to households within the City of Homer that have suffered economic
6 hardship due to the novel coronavirus (Covid-19). The City of Homer, using Coronavirus
7 Aid, Relief, and Economic Security (CARES) Act funding, has allocated \$1,000,000 to
8 be distributed through this program in up to \$1,000 grants.

9
10 **Eligibility Criteria**

- 11 1. At least one adult member (18 or older) of the household must be a City of
12 Homer resident, permanently living within the City of Homer prior to March 18,
13 2020.
- 14 2. Only one grant is available per household. A household is defined as a social unit
15 composed of those living together in the same dwelling for a primary place of
16 residence. All members of the household over the age of 18 must be listed in the
17 application.
- 18 3. Must disclose, certify, and document how the household has experienced, or
19 continues to experience, economic hardship as a result of the Covid-19
20 pandemic, with hardship incurred between March 30, 2020 and December 30,
21 2020. The individual on behalf of the household must agree the household was/is
22 negatively impacted by the COVID pandemic. If it is determined the HERG funds
23 were used for an ineligible purpose, the applicant may be required to return those
24 funds back to the City.
- 25 4. The funds cannot be used to reimburse an expense that was already covered by
26 or anticipated to be covered by another grant.
- 27 5. Any misuse of funds or falsification in an application will result in repayment of
28 the funds and potential fines.

29
30 **Grant funds are eligible for:**

- 31 1. Payment of rent or required monthly loan payments
- 32 2. Payment of utilities
- 33 3. Childcare fees
- 34 4. Groceries and/or food delivery
- 35 5. Other expenses that are necessary for household stability that are not covered
36 by current wages or other forms of support (i.e., unemployment, SNAP, etc).
- 37 6. Purchase of personal protective equipment required by the grantee and/or any
38 other measures recommended by the CDC to enhance COVID-19 safety
39 measures.
- 40 7. Medical bills incurred as a result of COVID-19 (ie. testing for COVID-19,
41 treatment/hospitalization as a result of COVID-19, medical supplies needed as a
42 result of COVID-19, doctor’s visits as a result of COVID-19) not reimbursable by
43 insurance or other government programs.

44 Please note: Grant proceeds are to be used for eligible Covid-19 emergency related
45 expenses, whether those expenses were previously paid by the grantee personally and

46 not through another loan/grant, are currently unpaid, or are held in arrears between
47 March 30, 2020 and December 30, 2020; additional guidance is provided in the “Grant
48 Funds Ineligible For” section.

49

50 **Grant funds ineligible for:**

51 1. Any expense considered ineligible under the State of Alaska CARES Act grant
52 program and any expense that would not be considered an eligible expense by
53 IRS rules.

54 2. Political contributions

55 3. Expenses above and beyond those needed for household stability

56 4. Gifts or events

57 5. Pay down or pay off debt by more than required in underlying debt instrument

58 6. Any expense considered ineligible under the State of Alaska CARES Act grant
59 program

60 7. Any expenses that have already been reimbursed by other funding sources.

61 Grantees will be required to keep payment records to show how the funds were
62 used.

63 8. Use of funds to support business operations/expenses.

64 9. Any other activity not listed under the ‘Grant Funds are Eligible for’ section.

65

66 **Application Process**

67 1. An individual 18 years of age or older application on behalf of the household
68 must fill out the available online at the City of Homer website or paper application
69 available from the Clerk’s office. Applications must be submitted within the
70 advertised application period.

71 2. The application must be submitted with a W-9 form from the Internal Revenue
72 Service.

73 3. All household members over the age of 18 must be listed on the application.

74 4. Upon receipt of a complete application and verification that the applicant meets
75 the eligibility requirements, a grant payment covering eligible, documented
76 expenses but not exceeding \$1,000 may be dispersed. Payments may be
77 dispersed to eligible applicants on a rolling basis. Applicants will be notified via
78 email once their application has been approved.

79 5. Applicants who submit incomplete applications will be notified by email.
80 Applications may be amended before the deadline.

81 6. Applicants whose requests are denied will be notified via email. An applicant who
82 is denied may appeal (in writing) to the City Manager no later than 5PM the 10th
83 calendar day after the applicant receives notice from the City.

84 7. Household information provided in the HERG application will be kept confidential
85 to the extent authorized by law.

86 8. Grant funds received must be fully expended by December 30, 2020. If funds
87 have not been expended, they must be returned to the City. Funds must be used
88 in accordance with the guidelines of this program.

- 89 9. An IRS 1099 Misc. income form will be issued by January 31, 2021.
90 10. It is incumbent upon the applicant to determine the tax ramifications and/or
91 whether the receipt of a grant under this program might preclude eligibility for any
92 other grant or aid programs.
93 11. The City reserves the right to interpret the terms of this program.
94

95 **Reporting**

96 In the application, grantees are required to provide a budget that documents how grant
97 funds are to be used to reimburse expenses associated with COVID-19. Grant funds
98 must be either fully expended or any unused portion returned to the City by December
99 30, 2020. When funds are fully expended, Grantees must submit a reporting form
100 provided by the City documenting how the funds were used.

101 Grants received under this program are subject to audit and may be randomly selected
102 to produce documentation for program evaluation. Grantees are required to maintain
103 records and receipts for grant expenditures for a period of 6 years and make them
104 available upon request.

105
106
107
108
109
110

1 **City of Homer Nonprofit Economic Relief Grant Program Policy Draft**

2 **Purpose**

3 The Nonprofit Economic Relief Grant (NERG) Program is designed to provide economic
4 relief to the nonprofit sector operating within the City of Homer and/or providing ongoing
5 services within the City of Homer. All grantees must certify they have suffered loss of
6 revenue due to the novel coronavirus (Covid-19). The City of Homer, using Coronavirus
7 Aid, Relief, and Economic Security (CARES) Act funding, has allocated \$1,250,000 to
8 be distributed through this program in up to \$10,000 grants.

9 **Eligibility Criteria**

- 10 1. Must be a 501(c)(3), (c)(4), (c)(5), (c)(6), (c)(19), 501(e) or 501(k) designated
11 nonprofit entity under the Internal Revenue Service. Faith-based nonprofit
12 organizations are eligible to apply as long as they provide services available to the
13 general public regardless of religious affiliation.
14 Nonprofit organizations that are principally engaged in teaching, instructing,
15 counseling, or indoctrinating religion or religious beliefs, whether in a religious or
16 secular setting, or primarily engaged in political or lobbying activities are not
17 eligible (as per 13 CFR § 120.110(k) in the Code of Federal Regulations).
- 18 2. Must provide regular, ongoing services to the residents of the City of Homer,
19 however nonprofits are not required to have their main office physically located
20 within Homer.
- 21 3. Must have been in operation serving City of Homer residents since at least
22 January 1, 2020.
- 23 4. Must be directed by a voluntary board of directors or local advisory board whose
24 majority of members are residents of the state of Alaska. A local affiliate of a
25 national organization must have a local advisory or governing board.
- 26 5. Must be in good standing within the State of Alaska Corporations database, and,
27 unless Federally exempt, have a current or 2018 IRS Form 990 or a current year
28 filing extension on file with the IRS.
- 29 6. All grantees must disclose, certify, and document that the nonprofit suffered a loss
30 of revenue and/or incurred additional expenses either through rapid expansion or
31 adaptation to serve the community or because of forced closure in the name of
32 public health between March 30, 2020 and December 30, 2020.
- 33 7. Any misuse of funds or falsification in an application will result in repayment of the
34 funds and potential fines.

35
36 **Grant funds are eligible for:**

- 37 1. Payment of rent or required monthly loan payments
38 2. Payments of essential wages, taxes, and normal benefits to employees

- 39 3. Normal operating expenses (utilities, insurance, professional services, etc.)
- 40 4. Purchase of personal protective equipment required by the nonprofit business
- 41 and/or any other measures recommended by the CDC to enhance COVID-19
- 42 safety measures.
- 43 5. Expenses incurred to replenish inventory, necessary re-opening expenses,
- 44 temporary housing for quarantined employees, hiring necessary additional staff,
- 45 or responding to additional non-budgeted needs related to COVID responses not
- 46 paid for by another grant.

47 Please note: Grant proceeds are to be used for eligible Covid-19 emergency related
48 expenses, whether those expenses were previously paid by the grantee personally and
49 not through another loan/grant, are currently unpaid, or are held in arrears between
50 March 30, 2020 and December 30, 2020; additional guidance is provided in the “Grant
51 Funds Ineligible For” section.

52 **Grant funds ineligible for:**

- 53 1. Any expense considered ineligible under the State of Alaska CARES Act grant
- 54 program and any expense that would not be considered an eligible expense by
- 55 IRS rules.
- 56 2. Political contributions or lobbying.
- 57 3. Bonuses to employees or Directors.
- 58 4. Gifts or events.
- 59 5. Draw or salary to employees that exceeded the amount that they were paid on a
- 60 weekly or monthly basis for the same period last year.
- 61 6. Pay down or pay off debt by more than required in underlying debt instrument.
- 62 7. Any expenses that have already been reimbursed by other funding sources.
- 63 Grantees will be required to keep payment records to show how the funds were
- 64 used.
- 65 8. Any other activity not listed under the ‘Grant Funds are Eligible for’ section.

66 **Application Process**

- 67 1. An authorized agent for the nonprofit must fill out the application available online
- 68 at the City of Homer website or paper application available from the Clerk’s
- 69 office. Applications must be submitted within the advertised application period.
- 70 2. The application must be submitted with a W-9 form from the Internal Revenue
- 71 Service.
- 72 3. Upon completion of application and verification that the applicant meets the
- 73 eligibility requirements, a grant payment covering eligible, documented expenses
- 74 but not exceeding up to \$10,000 may be disbursed. Payments may be dispersed
- 75 to eligible applicants on a rolling basis. Grantees will be notified via email once
- 76 their application has been approved.

- 77 4. Grantees who submit incomplete applications will be notified by email.
78 Applications may be amended before the deadline.
- 79 5. Grantees whose requests are denied will be notified via email. A grantee who is
80 denied may appeal (in writing) to the City Manager no later than 5PM the 10th
81 calendar day after the applicant receives notice from the City.
- 82 6. Information provided in the NERG application will be kept confidential to the
83 extent authorized by law.
- 84 7. Grant funds received must be fully expended by December 30, 2020. If funds
85 have not been expended, they must be returned to the City. Funds must be used
86 in accordance with the guidelines of this program.
- 87 8. An IRS 1099 Misc. income form will be issued by January 31, 2021.
- 88 9. It is incumbent upon the applicant to determine whether the receipt of a grant
89 under this program might preclude eligibility for any other grant or aid programs.
- 90 10. The funds cannot be used to reimburse an expense that was already covered by
91 or anticipated to be covered by another grant.
- 92 11. The City reserves the right to interpret the terms of this program.

93 **Reporting**

94 In the application, grantees are required to provide a budget that documents how grant
95 funds are to be used to reimburse expenses associated with COVID-19. Grant funds
96 must be either fully expended or any unused portion returned to the City by December
97 30, 2020. When funds are fully expended, Grantees must submit a reporting form
98 provided by the City documenting how the funds were used.

99 Grants received under this program are subject to audit and may be randomly selected
100 to produce documentation for program evaluation. Grantees are required to maintain
101 records and receipts for grant expenditures for a period of 6 years and make them
102 available upon request.

103 **Matching Opportunities/Leveraging City Dollars**

104 The City is aware of at least one matching program to further leverage municipal
105 CARES Act dollars in the nonprofit sector. The City of Homer supports efforts to further
106 stabilize all sectors of the community, and will work in good faith with organizations to
107 assist to the extent possible with leveraging opportunities.

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1 **City of Homer Childcare Business Economic Relief Grant Program Policy Draft**

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3 **Purpose**

4 The Childcare Business Economic Relief Grant (CBERG) Program is designed to
5 provide additional economic relief to those organizations providing childcare services to
6 residents within the City of Homer. For childcare providers to be successful, they will
7 need some fiscal certainty to remain operational as they work to stabilize their workforce
8 and enrollment for reasons including: not all families feel comfortable immediately
9 bringing their children to childcare and providers need time to work with families to
10 determine if their childcare spots should be held or if the child will not be reenrolled;
11 additional staff may be needed to assure appropriate social distancing measures are
12 taken and to clean and sanitize the childcare spaces; and childcare centers may
13 anticipate a higher than normal need for substitute staff since employees who might
14 normally work through “a few sniffles” will need to stay home until their symptoms clear
15 up. Childcare facilities are necessary in order to allow the economy to begin to return to
16 normal. All grantees must certify they have suffered economic hardship due to the novel
17 coronavirus (Covid-19). The City of Homer, using Coronavirus Aid, Relief, and
18 Economic Security (CARES) Act funding, has allocated \$150,000 to be distributed
19 through this program in grants of varying amounts for different types of
20 businesses/nonprofits providing childcare services in the City of Homer.

21
22 **Eligibility Criteria**

- 23 1. Businesses must meet the eligibility guidelines under the City’s Small Business
24 Economic Relief Grant program; nonprofits must meet eligibility guidelines under
25 the City’s Nonprofit Economic Relief Grant Program.
- 26 2. Grantees must provide regular, ongoing childcare services within City limits
27 active from at least January 1, 2020 until January 1, 2021. This may include
28 afterschool care for school-aged children, infants, and toddler care. An
29 explanation of these services and the population served will be required for
30 eligibility.
- 31 3. All grantees must disclose, certify, and document that they suffered a loss of
32 revenue and/or incurred additional expenses either through rapid expansion or
33 adaptation to serve the community or because of forced closure in the name of
34 public health between March 30, 2020 and December 30, 2020.
- 35 4. Licensed Child Care Providers are eligible for grant funds up to \$30,000. A copy
36 of the active license must be provided in the application. Detailed descriptions
37 and backup information to justify requested amount needed will be required.
- 38 5. Legally Exempt Providers are also eligible for grant funds up to \$5,000 and must
39 provide proof of approval to operate from the State of Alaska. Detailed
40 descriptions and backup information to justify requested amount needed will be
41 required.
- 42 6. Businesses/Non-Profits providing afterschool services are eligible for up to
43 \$10,000 grants specific to this aspect of their operation. Detailed descriptions
44 and backup information to justify requested amount needed will be required.

- 45 7. This is considered additional economic relief; grantees receiving grant funds
46 through the SBERG or NERG may still be eligible for CBERG funds if all eligibility
47 criteria are met.
48 8. Any misuse of funds or falsification in an application will result in repayment of
49 the funds and potential fines.
50 9. The funds cannot be used to reimburse an expense that was already paid by or
51 anticipated to be paid by another grant.
52 10. The City reserves the right to interpret the terms of this program.

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54 **Grant funds are eligible for:**

- 55 1. Payment of rent or required monthly loan payments
56 2. Payments of essential wages, taxes, and normal benefits to employees
57 3. Normal operating expenses (utilities, insurance, professional services, etc.)
58 4. Purchase of personal protective equipment required by the nonprofit business
59 and/or any other measures recommended by the CDC to enhance COVID-19
60 safety measures.
61 5. Expenses incurred to replenish inventory, necessary re-opening expenses,
62 temporary housing for quarantined employees, hiring necessary additional staff,
63 other expenses related to changes in the way services are provided due to the
64 COVID-19 pandemic, or responding to additional non-budgeted needs related to
65 COVID responses not paid for by another grant.
66 6. Childcare organizations that are currently open/active.

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68 Please note: Grant proceeds are to be used for eligible Covid-19 emergency related
69 expenses, whether those expenses were previously paid by the grantee personally and
70 not through another loan/grant, are currently unpaid, or are held in arrears between
71 March 30, 2020 and December 30, 2020; additional guidance is provided in the “Grant
72 Funds Ineligible For” section.

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75 **Grant funds ineligible for:**

- 76 1. Any expense considered ineligible under the State of Alaska CARES Act grant
77 program and any expense that would not be considered an eligible expense by
78 IRS rules.
79 2. Political contributions or lobbying.
80 3. Bonuses to employees or Directors.
81 4. Gifts or events.
82 5. Draw or salary to employees that exceeded the amount that they were paid on a
83 weekly or monthly basis for the same period last year.
84 6. Pay down or pay off debt by more than required in underlying debt instrument.

- 85 7. Any expenses that have already been reimbursed by other funding sources.
86 Grantees will be required to keep payment records to show how the funds were
87 used.
88 8. Any other activity not listed under the 'Grant Funds are Eligible for' section.
89

90 **Application Process**

- 91 1. An authorized agent for the business/non-profit must fill out the application
92 available online at the City of Homer website or paper application available from
93 the Clerk's office. Applications must be submitted within the advertised
94 application period.
95 2. The application must be submitted with a W-9 form from the Internal Revenue
96 Service.
97 3. Upon receipt of a complete application and verification that the applicant meets
98 the eligibility requirements, the grant payment covering eligible, documented
99 expenses may be disbursed. Payments may be dispersed to eligible applicants
100 on a rolling basis. Applicants will be notified via email one their application has
101 been approved.
102 4. Grantees who submit incomplete applications will be notified by email.
103 Applications may be amended before the deadline.
104 5. Grantees whose requests are denied will be notified via email. An applicant who
105 is denied may appeal (in writing) to the City Manager no later than 5PM the 10th
106 calendar day after the applicant receives notice from the City.
107 6. Information provided in the CBERG application will be kept confidential to the
108 extent authorized by law.
109 7. Grant funds received must be fully expended by December 30, 2020. If funds
110 have not been expended, they must be returned to the City. Funds must be used
111 in accordance with the guidelines of this program.
112 8. An IRS 1099 Misc. income form will be issued by January 31, 2021.
113 9. It is incumbent upon the applicant to determine whether the receipt of a grant
114 under this program might preclude eligibility for any other grant or aid programs.
115 10. The City reserves the right to interpret the terms of this program.
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117 **Reporting**

118 In the application, grantees are required to provide a budget that documents how grant
119 funds are to be used to reimburse expenses associated with COVID-19. Grant funds
120 must be either fully expended or any unused portion returned to the City by December
121 30, 2020. When funds are fully expended, Grantees must submit a reporting form
122 provided by the City documenting how the funds were used.

123 Grants received under this program are subject to audit and may be randomly selected
124 to produce documentation for program evaluation. Grantees are required to maintain

125 records and receipts for grant expenditures for a period of 6 years and make them
126 available upon request.

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1 **City of Homer Social Services Economic Relief Grant Program Policy Draft**

2 **Purpose**

3 The Social Services Relief Grant (SoSERG) Program provides funds for eligible
4 expenses incurred by organizations providing social services to residents within the City
5 of Homer in excess of any other award offered by or received from the City of Homer.
6 The City of Homer, using Coronavirus Aid, Relief, and Economic Security (CARES) Act
7 funding, has allocated \$200,000 to be distributed through this program in up to \$25,000
8 grants.

9 **Eligibility Criteria**

- 10 1. Grantees must meet eligibility criteria under the City’s Nonprofit Economic Relief
11 Grant (NERG) Program or the Small Business Economic Relief Grant (SBERG)
12 Program.
- 13 2. Must provide social services to the residents of the City of Homer. For the
14 purposes of the SoSERG program, “social services” includes mental health
15 services, child and family support services that are substantially different from
16 providing direct childcare (which is funded through the CBERG program),
17 substance use/misuse treatment and referral services, food/nutrition services, job
18 training services, and housing assistance. An explanation of these services and
19 the population served will be required for eligibility.
- 20 3. Must disclose, certify and document how the applicant suffered a loss of revenue
21 and/or has or will incur additional expenses either through expansion of services
22 or adaptation to serve the community or because of forced closure in the name of
23 public health between March 30, 2020 and December 30, 2020.
- 24 4. Grantees receiving grant funds through the SBERG or NERG may also be
25 eligible for SoSERG funds if:
26 a. all eligibility criteria are met and
27 b. eligible expenses incurred have not already been reimbursed by other
28 funding sources.
- 29 Receipt of SBERG or NERG funds is not a prerequisite to receive SoSERG
30 funds.
- 31 5. The funds cannot be used to reimburse an expense that was already covered by
32 or anticipated to be covered by another grant.

33 **Grant funds are eligible for:**

- 34 1. Payment of rent or required monthly loan payments
35 2. Payments of essential wages, taxes, and normal benefits to employees
36 3. Normal operating expenses (utilities, insurance, professional services, etc.) not
37 covered as a result of loss of revenue from Covid-19.

- 38 4. Purchase of personal protective equipment required by the grantee and/or any
39 other measures recommended by the CDC to enhance COVID-19 safety
40 measures.
41 5. Expenses incurred to replenish inventory, necessary re-opening expenses,
42 temporary housing for quarantined employees, and hiring necessary additional
43 staff or other expenses related to changes in the way services are provided due
44 to the COVID-19 pandemic.

45 Please note: Grant proceeds are to be used for eligible Covid-19 emergency related
46 expenses, whether those expenses were previously paid by the grantee personally and
47 not through another loan/grant, are currently unpaid, or are held in arrears between
48 March 30, 2020 and December 30, 2020; additional guidance is provided in the “Grant
49 Funds Ineligible For” section.
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51 **Grant funds ineligible for:**

- 52 1. Any expense considered ineligible under the State of Alaska CARES Act grant
53 program and any expense that would not be considered an eligible expense by
54 IRS rules.
55 2. Political contributions or lobbying.
56 3. Bonuses to employees or Directors.
57 4. Gifts or events.
58 5. Draw or salary to employees that exceeded the amount that they were paid on a
59 weekly or monthly basis for the same period last year.
60 6. Pay down or pay off debt by more than required in underlying debt instrument.
61 7. Any expenses that have already been reimbursed by other funding sources.
62 Grantees will be required to keep payment records to show how the funds were
63 used.
64 8. Any other activity not listed under the ‘Grant Funds are Eligible for’ section.
65

66 **Application Process**

- 67 1. An authorized agent must fill out the application available online at the City of
68 Homer website or paper application available from the Clerk’s office. Applications
69 must be submitted within the advertised application period.
70 2. The application must be submitted with a W-9 form from the Internal Revenue
71 Service.
72 3. Upon completion of application and verification that the applicant meets the
73 eligibility requirements, a grant payment covering eligible, documented expenses
74 but not exceeding \$25,000 may be disbursed. Applicants will be notified via
75 email once their application has been approved.

- 76 4. Applicants who submit incomplete applications will be notified by email.
77 Applications may be amended before the deadline.
- 78 5. Applicants whose requests are denied will be notified via email. An applicant who
79 is denied may appeal (in writing) to the City Manager no later than 5PM the 10th
80 calendar day after the applicant receives notice from the City.
- 81 6. Information provided in the SoSERG application will be kept confidential to the
82 extent authorized by law.
- 83 7. Grant funds received must be fully expended by December 30, 2020. If funds
84 have not been expended, they must be returned to the City. Funds must be used
85 in accordance with the guidelines of this program.
- 86 8. An IRS 1099 Misc. income form will be issued by January 31, 2021.
- 87 9. It is incumbent upon the applicant to determine whether the receipt of a grant
88 under this program might preclude eligibility for any other grant or aid programs.
- 89 10. The City reserves the right to interpret the terms of this program.
90

91 **Reporting**

92 In the application, grantees are required to provide a budget that documents how grant
93 funds are to be used to reimburse expenses associated with COVID-19. Grant funds
94 must be either fully expended or any unused portion returned to the City by December
95 30, 2020. When funds are fully expended, Grantees must submit a reporting form
96 provided by the City documenting how the funds were used.

97 Grants received under this program are subject to audit and may be randomly selected
98 to produce documentation for program evaluation. Grantees are required to maintain
99 records and receipts for grant expenditures for a period of 6 years and make them
100 available upon request.

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City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum 20-111

TO: Mayor Castner and Homer City Council
FROM: Rick Abboud, Interim City Manager
DATE: July 23, 2020
SUBJECT: Cares Act Programs

Administration has been working with Councilmembers Lord, Aderhold, and Venuti on producing several programs for the appropriation of CARES Act funds to the community. These include:

Nonprofit Economic Relief Grant Program (NERG)
Social Services Economic Relief Grant Program (SoSerg)
Childcare Business Economic Relief Grant Program (CBERG)
Household Economic Relief Grant Program (HERG)

The programs include eligibility criteria to qualify for the program, lists of eligible and ineligible expenses for which the funds may be applied, an application process, and expectation for reporting. Accompanying the resolution establishing the programs is a funding ordinance that creates funding 'buckets' assigning amount to be distributed to the various programs.

Most of my concerns revolve around verifying that applicants qualify for the program and spend the award within program parameters.

1. You must have been impacted by either loss of income or additional expenses due to COVID-19.
2. You must not apply for costs that have been paid for by other programs.
3. You must spend the funds in accordance with CARES Act guidelines.

Better documentation will decrease our exposure to liabilities. We have developed several options for our documentation:

1. The applicant, when documenting need will be asked for a proposed list of uses for the funds. We were thinking of listing common accepted uses with a range of funds to be spent (in case they don't have exact figures) with another box for unanticipated (other) items. It would be good to get to this level with everyone (and I do not believe that we could add retroactive requirements, as the grantee has already agreed to terms).
2. They could submit bills/invoices and we pay. – This seems like a bit much for us to accomplish.

3. They could provide a report of how the money was spent. – Would be a challenge to follow up with everyone after they spent the money even though the onus would be on the grantee to submit the reporting form once the awarded funds had been spent.
4. They applicant is required to retain receipts and records for 6 years, documenting of how the money was spent and may be selected on a random basis for program evaluation.

I recommend at least using options 1 and 4 above; the policy documents currently before Council incorporate options 1, 3, and 4.

These documents were produced in an expedited manner and I would expect that in consideration with the dynamic nature of the guidance for the CARES Act program, they may need future amendments. Out of the four programs, I am most secure with NERG and I have the most reservations with HERG.

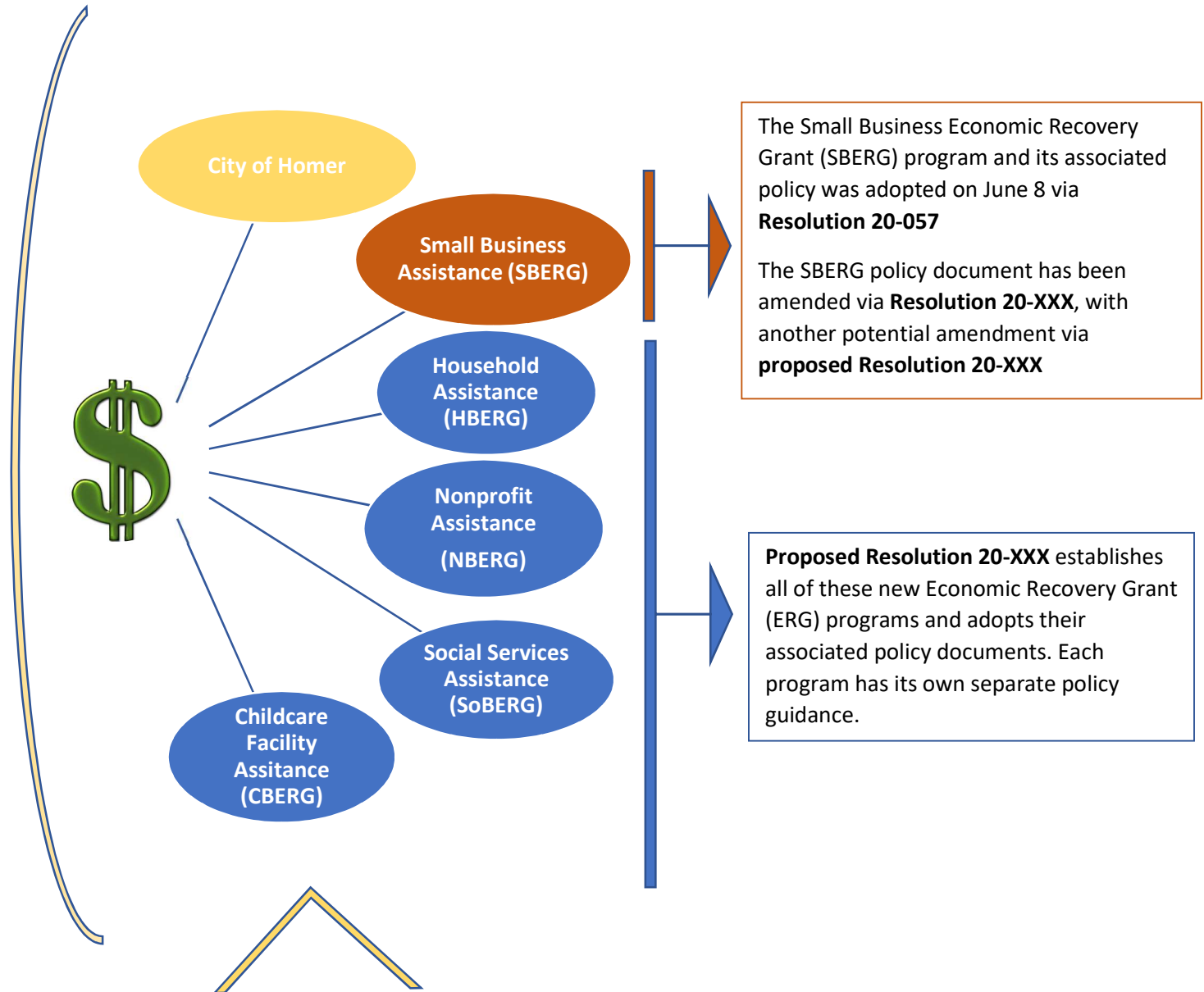
I look forward to receiving Council's direction on which programs to adopt and establish at this time and any additional direction from the body on reporting requirements options or any other features.

City of Homer CARES Act Legislation

All CARES Act funds from the State of Alaska to the City of Homer were authorized for receipt under **Resolution 20-051**.

Ordinance 20-25(S) appropriated the first payment in June.

Proposed Ordinance 20-XXX provides appropriations for the remaining funds, and provides flexibility for spending between the approved buckets to ensure timely spending of funds.



The Small Business Economic Recovery Grant (SBERG) program and its associated policy was adopted on June 8 via **Resolution 20-057**.
The SBERG policy document has been amended via **Resolution 20-XXX**, with another potential amendment via **proposed Resolution 20-XXX**.

Proposed Resolution 20-XXX establishes all of these new Economic Recovery Grant (ERG) programs and adopts their associated policy documents. Each program has its own separate policy guidance.

Each bubble represents a “bucket” for identified by Council as a priority for appropriation of CARES Act funds