

Date Presented to Council: November 10, 2021  
Verified By: [Signature]  
Clerk's Note: Velock absent

**City of Wasilla**  
**Informational Memorandum No. 21-17**

**Memorandum From The City Attorney Regarding CARES Act Funds Disbursement.**

Originator: Jamie Newman, City Clerk  
Date: 11/5/2021

Agenda of: 11/10/2021

Route to:	Department Head	Signature	Date
X	Finance Director	[Signature]	11-5-21
X	Deputy Administrator	[Signature]	11/5/2021
X	City Clerk	[Signature]	11/5/2021
X	Mayor	[Signature]	11/5/2021

**Attachments:** Memorandum From City Attorney (3 pages)

**Summary Statement:** Attached is a memorandum from the City Attorney to provide Council with a basic introduction to the procedural and legislative process for pursuing the final disbursement of CARES Act funds before the December 31, 2021, deadline.

## MEMORANDUM

**TO: CITY COUNCIL  
CRYSTAL NYGARD, ACTING MAYOR  
JAMIE NEWMAN, CITY CLERK**

**FROM: HOLLY C. WELLS**

**RE: CARES ACT FUNDS DISBURSEMENT**

**CLIENT: CITY OF WASILLA**

**FILE NO.: 505780.161**

**DATE: NOVEMBER 4, 2021**

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### Introduction

Council Member Colleen Sullivan-Leonard requested a review of feasible options for the disbursement of remaining CARES Act funds to be discussed at the November 10, 2021 special meeting requested by Council Members Harvey and Sullivan-Leonard for this purpose. After discussing available options and resources with Council Member Sullivan-Leonard, City Clerk Newman, and Finance Director Tankersley, it became apparent that in order for the City to authorize a program for disbursement, create program documents necessary for responsible and lawful disbursement of the funds, and complete the disbursement before the end-of-year deadline, any such disbursements would need to be made to third party organization(s) with preexisting CARES Act distribution programs able and willing to disburse funds in full compliance with CARES Act funding restrictions before December 31, 2021. The purpose of this memorandum is to provide Council with a basic introduction to the procedural and legislative process for pursuing a final disbursement of CARES Act funds before the upcoming deadline.

### Analysis/Background

As Council is aware, the City received \$18,690,897 in CARES Act funding. As of November 1, 2021, the City has \$2,326,669 of these funds remaining. In the event that these remaining funds are not disbursed by December 31, 2021, the City will be required to return them to the State of Alaska. Over the last two years, the City Council authorized and the Administration implemented several COVID-19 assistance programs distributing CARES Act funds to Wasilla residents to relieve the needs and the harms resulting from COVID-19. These programs included direct grants to small businesses within the boundaries of the City through five rounds of small business economic recovery grants

and grants for personal protective equipment and supplies. The City also provided rental and mortgage assistance through a program administered by the Alaska Housing Finance Corporation ("AHFC") and utility relief through programs funded by the City but administered by Enstar and the Matanuska Electric Association. The City was also able to use CARES Act funds to directly reimburse the City and its facilities with items such as personal protective equipment, cleaning supplies, signage, touchless faucets, and remote access and technical mitigation services and programs. The CARES Act funds were also utilized to fund permissible police personnel expenditures under the CARES Act. While there may be remaining City expenditures that will be funded by the remaining CARES Act funds before the December deadline, the City's assistance programs have been fully funded and completed and thus Council should anticipate that a substantial portion of the remaining \$2.3 million will be returned to the State of Alaska.

In the event Council finds that it is in the City's best interest to attempt a final round of disbursements of the funds, I would recommend Council focus its efforts on a disbursement option that could be completed both legally and administratively by the end-of-year deadline. This recommendation stems from concerns that the implementation of a program that cannot be completed timely would result in applicants and potential recipients being treated differently as some would benefit from the program while others would be unable to do so as a result of the fast-approaching deadline. Additionally, the City's failure to execute the program in the manner represented to the State and in its own records, despite its best efforts, could also have negative financial and legal consequences for the City.

### **Recommended Motion and Considerations**

To this end, in the event Council determines that it is in the City's best interest to attempt a final program disbursing the remaining CARES Act funds or a portion of those funds, I would recommend the following motion:

I hereby move to direct the City Administration to take the following action:

- 1) Contact third party organizations providing services within the boundaries of the City of Wasilla, including Thread, the Food Pantry, Matanuska Electric Association, and Enstar, and determine if one or more of those organizations is willing and able to accept CARES Act funds from the City for disbursement to businesses and residents and administer and distribute these funds in a manner and for purposes that fully comply with the CARES Act by December 31, 2021.
- 2) In the event one or more of these organizations indicates a willingness and ability to accept, administer, and distribute funds, present a resolution or resolutions to Council authorizing that distribution conditional upon the execution of a memorandum of agreement with the organization(s) confirming that organization's compliance with the CARES Act funding requirements and limitations and its ability to comply with the timing constraints resulting from the upcoming deadline.

If this motion is made and passed by Council and an organization or organizations identified, this approach to consideration and adoption of a resolution ensures that City Council is able to consider the viability of a specific program once the details of that program is presented to Council and considered by staff.

### **Conclusion**

While I have identified some organizations from the City's previous programs and discussions regarding a potential final funding program, Council may identify or recommend other organizations during its discussions and include these organizations in its motion. Further, while my recommendations focus on preexisting programs and third-party administrators, this is not intended to in any way limit Council's suggestions or considerations of alternative options. To the extent these alternative options have time constraints or implementation requirements that lead to potential legal vulnerabilities, I will be prepared to discuss these constraints and vulnerabilities with Council at the meeting.

I will be available to answer any questions regarding this memorandum and the parameters of the CARES Act at Council's November 10, 2021 special meeting.