

MEMO

To: Finance Committee
From: Manager Brad Ryan
Date: May 21, 2020
RE: CARES Act/CPV Funding

The Municipality of Skagway (MOS) has the potential to receive \$7.4 million in CARES Act funding and \$1.9 million from CPV funding to mitigate the impacts of coronavirus on the community of Skagway. The MOS has been tracking direct expenses for emergency response and preparation due to coronavirus and currently that totals about \$450,000 and I expect that number to exceed \$600,000. Additionally, the MOS is taking action to increase the MOS's ability to hold remote meetings and provide enhanced online access to municipal functions. I estimate these improvements to total over \$300,000. While these are direct expenses associated with response to coronavirus in Skagway in the short term, the real need is to support the community through the loss of nearly all of its 2020 economy.

Currently the MOS staff is estimating a loss of \$160 million in taxable revenue for the 2020 season which means every person in Skagway will be impacted. For this reason, I am proposing the best way to support the community of Skagway and mitigate the impacts of coronavirus is to provide monthly community assistance for Skagway residents. The assistance checks will assist individuals and families so that they have the financial means to provide the necessary utilities to stay safe and healthy. Examples of how these assistance checks might provide assistance includes the ability to keep their homes, not being forced into communal living, provide the financial means to seek medical assistance, and provide nutritional meals. This assistance would be provided to residents from July 2020 through February 2021 with the expectation that residents will remain in Skagway and begin preparing for the 2021 cruise season in March 2021 (Table 1).

Table 1. Proposed coronavirus mitigation measures utilizing \$7.4 million CARES Act and \$1.9 million CPV grant.

Direct Community Assistance			
Community Assistance Checks CARES and CPV	\$6,000,000	\$1,900,000	Assistance Checks: \$1,000/per resident for each month starting in July 2020 and continuing through February 2020.
Donation to Food Bank	\$400,000		Increase food vouchers to \$200/week for family applicants
Equipment for better remote meeting capability & enhanced online access to municipal functions			
Server upgrades	\$20,000		Increase capacity for new accounting system.
Accounting system	\$125,000		Allow for online sales tax filing, business licensing, building permit requests, etc.
Laptops for staff (x4)	\$8,000		Enable working from home.
Assembly Chambers audio visual upgrades	\$200,000		Increase ability for remote meetings.
COVID-19 expenses			
COVID-19 Payroll Currently tracking COVID-19 payroll.	\$300,000		Most department heads and manager payroll are considered "substantially spent on COVID-19 mitigation."
COVID-19 Purchases	\$300,000		Equipment and supply purchased to mitigate a potential COVID-19 outbreak.
Initial Plan Total	\$7,353,000	\$1,900,000	