

Submitted by: Chairman of the Assembly at  
the Request of the Mayor  
Prepared by: Mayor's Office  
For reading: September 15, 2020

**ANCHORAGE, ALASKA  
AO No. 2020-99**

1 **AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE REPEALING IN PART**  
2 **AO 2020-66(S), AS AMENDED AND AR 2020-271(S), AS AMENDED TO CHANGE**  
3 **THE FUNDING SOURCE FOR CERTAIN APPROVED ITEMS FROM CARES ACT**  
4 **FUNDS TO AREAWIDE GENERAL FUND (101000) FUND BALANCE;**  
5 **APPROPRIATING FUND BALANCE IN AN AMOUNT NOT TO EXCEED FORTY-SIX**  
6 **MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$46,650,000) TO PAY FOR**  
7 **THOSE PREVIOUSLY APPROVED PROJECTS; REALLOCATING AND**  
8 **ALLOCATING CARES ACT MONEY IN AN AMOUNT OF SIXTY-ONE MILLION FIVE**  
9 **HUNDRED EIGHTY-SIX THOUSAND ONE HUNDRED EIGHTY-SIX DOLLARS**  
10 **(\$61,586,186) TO FIRST RESPONDER PAYROLL; APPROPRIATING AN AMOUNT**  
11 **NOT TO EXCEED SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) OF INTEREST**  
12 **REVENUE EARNED ON CARES ACT FUNDS TO THE STATE DIRECT/FEDERAL**  
13 **PASS-THRU GRANTS FUND (231800); AND AUTHORIZING SAID INTEREST TO**  
14 **COVER PAYROLL COSTS OF FIRST RESPONDERS.**  
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16  
17 **WHEREAS**, the State of Alaska (State) allocated Coronavirus Aid, Relief, and  
18 Economic Security (CARES) Act Funds in the amount of \$156,713,566.04 to the MOA;  
19 and  
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21 **WHEREAS**, the CARES Act Funds will be disbursed to the MOA in three payments;  
22 interest revenue earned on the CARES Act Funds must be spent within the same scope  
23 and timing of the CARES Act Funds, and  
24

25 **WHEREAS**, the CARES Act Funds must be used for expenses incurred during the  
26 period of March 1, 2020 through December 30, 2020, and unexpended funds must be  
27 returned to the State; and  
28

29 **WHEREAS**, \$156,713,566 of the CARES Act Funds were appropriated with AR 2020-  
30 199, approved by the Anchorage Assembly on June 2, 2020 and, as an accounting  
31 adjustment, reappropriated to the State Direct/Federal Pass-Thru Grants Fund  
32 (231900) with AR 2020-245, approved by the Anchorage Assembly on July 14, 2020;  
33 and,  
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35 **WHEREAS**, the Assembly authorized the use of the CARES Act Funds to cover  
36 multiple economic stabilization programs, some of which, due to scope, timing, and/or  
37 concerns of eligibility would be more appropriately funded with non-CARES Act Funds;  
38 and,  
39

40 **WHEREAS**, the U.S. Department of the Treasury confirmed that the use of the CARES  
41 Act Funds to cover payroll costs of first responders is an allowable and less  
42 complicated way to spend CARES Act money in compliance with federal rules; and,

1  
2 **WHEREAS**, the use of the CARES Act Funds to cover payroll costs of first responders  
3 would make available other less-restrictive funding for multiple economic stabilization  
4 programs; and

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6 **WHEREAS**, the Administration is committed to securing the maximum amount  
7 allowable of CARES Act Funds to address immediate needs to benefit the community;  
8 now, therefore,

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10 **THE ANCHORAGE ASSEMBLY RESOLVES:**

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12 **Section 1.** That AO 2020-66(S), As Amended and AR 2020-271(S), As Amended are  
13 repealed to the limited extent that they authorized the spending of CARES Act Fund  
14 money on the following:

- 15 • AO 2020-66(S), As Amended - Property Acquisition - \$12.5 million
  - 16 • The Bean's Café (101 E. 3rd Avenue)
  - 17 • The Alaska Club (630 E. Tudor Road)
  - 18 • America's Best Value (4360 Spenard Road)
- 19 • AR 2020-271(S), As Amended § 3 - FEMA Match - \$12 million
- 20 • AR 2020-271(S), As Amended § 9 - Pre-k - \$250,000
- 21 • AR 2020-271(S), As Amended § 10 - RuralCap Weatherization - \$2.5 million
- 22 • AR 2020-271(S), As Amended § 11 - Girdwood Health Clinic - \$5 million
- 23 • AR 2020-271(S), As Amended § 12 - Public Lands Jobs Program - \$1.5  
24 million
- 25 • AR 2020-271(S), As Amended § 13 - Energy Efficiency Jobs Program - \$1  
26 million
- 27 • AR 2020-271(S), As Amended § 14 - Nine Star Net-2-Ladder Project -  
28 \$300,000
- 29 • AR 2020-271(S), As Amended § 20 – Covenant House Expansion - \$1 million
- 30 • AR 2020-271(S), As Amended § 23 - AWAIC expansion - \$600,000
- 31 • AR 2020-271(S), As Amended § 24 - Child Care Assistance Program - \$5  
32 million
- 33 • AR 2020-271(S), As Amended § 26 - Mental Health First Responders - \$3  
34 million
- 35 • AR 2020-271(S), As Amended § 28 - Food Bank Expansion - \$500,000
- 36 • AR 2020-271(S), As Amended § 29 - Rapid Rehousing Program - \$1 million
- 37 • AR 2020-271(S), As Amended § 30 - Risk Pool Insurance Program -  
38 \$500,000

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40 **Section 2.** That the amount of CARES Act Funds previously approved for the items  
41 described in Section 1, and the previously unallocated contingency fund of \$14,936,186  
42 (for a total amount of \$61,586,186) is hereby appropriated to cover payroll costs of our  
43 first responders.

44  
45 **Section 3.** That an amount not to exceed THIRTY-FOUR MILLION ONE HUNDRED  
46 FIFTY THOUSAND DOLLARS (\$34,150,000) of Areawide General Fund (101000)  
47 Fund Balance is hereby appropriated for the following:

- 48 • AR 2020-271(S), As Amended § 3 - FEMA Match - \$12 million

- AR 2020-271(S), As Amended § 9 - Pre-k - \$250,000
- AR 2020-271(S), As Amended § 10 - RuralCap Weatherization - \$2.5 million
- AR 2020-271(S), As Amended § 11 - Girdwood Health Clinic - \$5 million
- AR 2020-271(S), As Amended § 12 - Public Lands Jobs Program - \$1.5 million
- AR 2020-271(S), As Amended § 13 - Energy Efficiency Jobs Program - \$1 million
- AR 2020-271(S), As Amended § 14 - Nine Star Net-2-Ladder Project - \$300,000
- AR 2020-271(S), As Amended § 20 - Covenant House Expansion - \$1 million
- AR 2020-271(S), As Amended § 23 - AWAIC expansion - \$600,000
- AR 2020-271(S), As Amended § 24 - Child Care Assistance Program - \$5 million
- AR 2020-271(S), As Amended § 26 - Mental Health First Responders - \$3 million
- AR 2020-271(S), As Amended § 28 - Food Bank Expansion - \$500,000
- AR 2020-271(S), As Amended § 29 - Rapid Rehousing Program - \$1 million
- AR 2020-271(S), As Amended § 30 - Risk Pool Insurance Program - \$500,000

**Section 4.** That an amount not to exceed TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000) of Areawide General Fund (101000) Fund Balance is hereby appropriated as a contribution, and appropriating said contribution to the Areawide General Capital Improvement Projects (CIP) Fund (401800), Real Estate Department for the following:

- AO 2020-66(S), As Amended- Property Acquisition - \$12.5 million
  - The Bean’s Café (101 E. 3rd Avenue)
  - The Alaska Club (630 E. Tudor Road)
  - America’s Best Value (4360 Spenard Road)

**Section 5.** That the amount not to exceed SEVENTY FIVE THOUSAND DOLLARS (\$75,000) of interest revenue earned on CARES Act Funds is hereby appropriated to the State Direct/Federal Pass-Thru Grants Fund (231800) to cover payroll costs of our first responders.

**Section 6.** That the amount of FOUR CENTS (\$0.04) of CARES Act Funds is hereby appropriated as a grant to the State Direct/Federal Pass-Thru Grants Fund (231900) to cover payroll costs of our first responders.

**Section 7.** This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Chair

ATTEST:

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Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 546-2020

Meeting Date: September 15, 2020

1 **From:** MAYOR

2  
3 **Subject:** AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE  
4 REPEALING IN PART AO 2020-66(S), AS AMENDED AND AR  
5 2020-271(S), AS AMENDED TO CHANGE THE FUNDING SOURCE  
6 FOR CERTAIN APPROVED ITEMS FROM CARES ACT FUNDS TO  
7 AREAWIDE GENERAL FUND (101000) FUND BALANCE;  
8 APPROPRIATING FUND BALANCE IN AN AMOUNT NOT TO  
9 EXCEED FORTY-SIX MILLION SIX HUNDRED FIFTY THOUSAND  
10 DOLLARS (\$46,650,000) TO PAY FOR THOSE PREVIOUSLY  
11 APPROVED PROJECTS; REALLOCATING AND ALLOCATING  
12 CARES ACT MONEY IN AN AMOUNT OF SIXTY-ONE MILLION  
13 FIVE HUNDRED EIGHTY-SIX THOUSAND ONE HUNDRED  
14 EIGHTY-SIX DOLLARS (\$61,586,186) TO FIRST RESPONDER  
15 PAYROLL; APPROPRIATING AN AMOUNT NOT TO EXCEED  
16 SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) OF INTEREST  
17 REVENUE EARNED ON CARES ACT FUNDS TO THE STATE  
18 DIRECT/FEDERAL PASS-THRU GRANTS FUND (231800); AND  
19 AUTHORIZING SAID INTEREST TO COVER PAYROLL COSTS OF  
20 FIRST RESPONDERS.  
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23 On March 27, 2020, the United States Congress passed a landmark \$1.8 trillion  
24 dollar relief bill called the Coronavirus Aid, Relief, and Economic Security Act, or the  
25 CARES Act. The CARES Act includes \$150 billion for state and local governments,  
26 with Alaska receiving \$1.25 billion. On May 20, 2020, the Alaska Legislature ratified  
27 an amount of \$156,713,566.04 of COVID-19 Relief funding to go to the Municipality  
28 of Anchorage. The Anchorage Assembly appropriated \$156,713,566 of COVID-19  
29 Relief funding with AR 2020-199, and has since made several funding decisions  
30 authorizing the use of the money to aid the Municipality and its residents.  
31

32 This AO changes the funding source for certain programs and purchases already  
33 approved by the Assembly from CARES Act dollars to municipal Areawide Fund  
34 Balance and redirects CARES Act dollars to first responder payroll following the  
35 advice of the U.S. Treasury Department. This change more simply accounts for the  
36 spending of CARES Act dollars and maximizes the ability of the Municipality to use  
37 all CARES Act funds without the risk that funding could be jeopardized if programs  
38 miss a deadline or are subsequently determined ineligible.  
39

1 Following a months-long discussion on the best and greatest usage of the remaining  
2 COVID-19 Relief funding, the Anchorage Assembly approved AR 2020-271(S), As  
3 Amended on August 12, 2020, adopting a COVID-19 Response Framework to  
4 thoughtfully and impactfully address immediate needs arising from COVID-19. And  
5 on July 27, 2020 and August 11, 2020, the Assembly adopted AO 2020-66(S), As  
6 Amended, authorizing in part the use of the CARES Act funds to purchase three  
7 properties to aid in reducing risk to the homeless population in Anchorage by  
8 providing more supportive facilities.

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10 After community members raised concerns about whether proposed and approved  
11 uses of CARES Act Funds (CRF) in AO 2020-66(S), As Amended and AR 2020-  
12 271(S), As Amended would survive audit scrutiny, the Municipality had the  
13 opportunity to meet directly with U.S. Treasury officials in charge of making the  
14 policy determinations regarding the spending of CARES Act funds. The content of  
15 that conversation was then summarized by Chief of Staff, Jason Bockenstedt, in an  
16 August 18, 2020 email to Daniel Kowalski, Counselor to the Secretary of the  
17 Treasury, and Stephen Milligan, Deputy Assistant General Counsel at the Treasury  
18 Department. The relevant part of that email is as follows:

19  
20 We particularly appreciated learning from you:

- 21 1) If necessary due to a lack of other suitable alternatives,  
22 governments may purchase buildings with CRF to provide  
23 housing and services to the homeless displaced by COVID-19  
24 public health measures. As we discussed, many jurisdictions  
25 are doing this across the nation, including California, which is  
26 spending \$550 million of CRF to purchase buildings. The  
27 governments may keep the buildings after the end of the  
28 funding period. As part of demonstrating that the buildings are  
29 a necessary COVID-19 expenditure we should be providing  
30 services to homeless individuals inside the buildings by  
31 December 30, 2020. [Although this was not mentioned in the  
32 call, we assume if the spending deadline were changed by a  
33 subsequent act of Congress, we might have more time to  
34 accomplish the purchases and bring homeless individuals into  
35 the buildings.]
- 36 2) A simpler option for local governments like ours is to spend  
37 CRF on first responder payroll, as a presumptively eligible  
38 expense detailed in FAQ A.2. While you anticipate issuing  
39 additional FAQ language on this presumption (possibly in the  
40 next two weeks), you do not anticipate it will result in rolling  
41 back of the previously issued presumption. Spending on payroll  
42 for front-line and public-facing public safety and public health  
43 department employees is permitted; and such use of CRF may  
44 have the side effect of freeing up municipal general funds that  
45 would otherwise have paid those salaries. In other words, the  
46 legal presumption allows governments to use CRF on this  
47 payroll even if the government had previously budgeted to pay  
48 those same individuals with municipal funds. Any municipal  
49 general funds freed up by being replaced with federal dollars  
50 may then be spent under ordinary rules for spending local  
51 money without the risk the IG's office will subsequently  
52 determine that the money missed a deadline or was spent

1                   incorrectly.  
2

3 Mr. Kowalski responded by email on August 20, 2020. That email stated in full:  
4                   Apologies for the delay. I agree with the summary of our conversation  
5                   as provided in (1) and (2). Best, Dan  
6

7 On September 2, 2020, the Treasury Department subsequently issued supplemental  
8 guidance on use of CARES Act funds to cover payroll further confirming that the use  
9 of CARES Act funds to cover the payroll costs of public health and public safety  
10 workers is an allowable and administratively convenient way to spend CARES Act  
11 Funds:

12                   ***Public health and public safety***

13                   In recognition of the particular importance of public health and public  
14 safety workers to State, local, and tribal government responses to the  
15 public health emergency, Treasury has provided, as an administrative  
16 accommodation, that a State, local, or tribal government may presume  
17 that public health and public safety employees meet the substantially  
18 dedicated test, unless the chief executive (or equivalent) of the  
19 relevant government determines that specific circumstances indicate  
20 otherwise. This means that, if this presumption applies, work  
21 performed by such employees is considered to be a substantially  
22 different use than accounted for in the most recently approved budget  
23 as of March 27, 2020. All costs of such employees may be covered  
24 using payments from the Fund for services provided during the period  
25 that begins on March 1, 2020 and ends on December 30, 2020.  
26

27                   In response to questions regarding which employees are within the  
28 scope of this accommodation, Treasury is supplementing this  
29 guidance to clarify that public safety employees would include police  
30 officers (including state police officers), sheriffs and deputy sheriffs,  
31 firefighters, emergency medical responders, correctional and  
32 detention officers, and those who directly support such employees  
33 such as dispatchers and supervisory personnel. Public health  
34 employees would include employees involved in providing medical  
35 and other health services to patients and supervisory personnel,  
36 including medical staff assigned to schools, prisons, and other such  
37 institutions, and other support services essential for patient care (e.g.,  
38 laboratory technicians) as well as employees of public health  
39 departments directly engaged in matters related to public health and  
40 related supervisory personnel.  
41

42 This AO also appropriates an amount no greater than \$75,000 of interest  
43 revenue earned on CARES Act Funds to first responder payroll.  
44

45 Our intent is that the meaning given to first responder payroll will be no broader  
46 than what is permitted by the above guidance from the U.S. Treasury  
47 Department regarding which workers are included within the administrative  
48 accommodation related to public health and public safety workers.  
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50 There are no private sector economic effects and local government effects are  
51 less than \$30,000; therefore, pursuant to AMC 2.30.053B.1., no Summary of  
52 Economic Effects is attached to this ordinance.

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**THE ADMINISTRATION RECOMMENDS APPROVAL.**

Prepared by: Kathryn R. Vogel, Municipal Attorney  
Concur: Jason Bockenstedt, Chief of Staff, Mayor's Office  
Concur: Lance Wilber, Director, Office of Management and Budget

Fund certification: Alexander Slivka, CFO  
101000/131000/151000 – 305070 \$61,586,186  
(Fund balance Areawide General Fund, Anchorage Fire Fund and Anchorage Police Fund)

Concur: William D. Falsey, Municipal Manager  
Respectfully submitted: Ethan A. Berkowitz, Mayor