

Municipal Clerk's Office

Approved

Date: December 18, 2018

Submitted by: Chair of the Assembly at the Request of the Mayor

Prepared by: Municipal Attorney

For reading: December 18, 2018

**ANCHORAGE, ALASKA  
EO No. 2018 - 1**

**AN EMERGENCY ORDINANCE PROVIDING FINANCIAL RESOURCES FOR LABOR AND CAPITAL EXPENDITURES REQUIRED TO ADDRESS AND REPAIR CRITICAL DAMAGE TO MUNICIPAL INFRASTRUCTURE CAUSED BY THE POINT MACKENZIE EARTHQUAKE (PMQ) BY APPROPRIATING AN AMOUNT NOT TO EXCEED NINETEEN MILLION DOLLARS (\$19,000,000) FROM AN INTERFUND LOAN FROM THE AREAWIDE GENERAL FUND (101000), TO THE DISASTER RECOVERY FUND (231801) AND AN AMOUNT NOT TO EXCEED ELEVEN MILLION DOLLARS (\$11,000,000) OF UTILITIES' UNRESTRICTED NET POSITIONS TO THEIR RESPECTIVE REIMBURSED PROJECTS FUNDS, APPROVING A TEMPORARY EXCEPTION TO THE UNRESERVED FUND BALANCE DESIGNATION POLICY FOR THE MUNICIPALITY OF ANCHORAGE, AND PROVIDING A PLAN FOR FUTURE REIMBURSEMENT OF SUCH APPROPRIATIONS.**

**WHEREAS**, on Friday, November 30, 2018, at 8:29 a.m., a magnitude 7.0 earthquake occurred directly north of the Municipality of Anchorage, which resulted and threatened to result in personal injury and property damage, including the collapse of several roadways, structural damage to municipal buildings, damage to municipal water lines and wastewater systems, and damage to the power grids of all local electrical utilities; and

**WHEREAS**, at 10:45 a.m. on November 30, pursuant to authority granted in Article V, Section 5.02 of the Home Rule Charter for the Municipality of Anchorage and AMC 3.80.040, the Mayor declared that a civil emergency existed within the Municipality of Anchorage based on the events described above; and

**WHEREAS**, on November 30, corresponding state and federal disaster declarations were issued by Governor Walker and the Department of Homeland Security, Federal Emergency Management Agency, with approval of the President; and

**WHEREAS**, on Sunday, December 2, 2018, the Assembly approved AR 2018-374 extending the Declaration of Civil Emergency issued by the Mayor on November 30, 2018, through Tuesday, December 4, 2018 at 10 p.m.; and

**WHEREAS**, on Tuesday, December 4, 2018 the Municipality's Declaration of Emergency expired in accordance with its terms, but critical restoration work is and will remain urgently required to restore considerable damage to municipal property, including but not limited to major road repairs on Dowling Road and Third Avenue, structural inspection of bridges, dams, and over/under passes; remediation and repair at municipal facilities including the Department of Health and Human

1 Services, Eagle River Town Hall, Fire Stations in Anchorage, Eagle River, and  
2 Chugiak, and Anchorage-wide parks and recreational facilities; replacement of Solid  
3 Waste Services structures; and extensive repairs to line breaks and leaks within the  
4 Anchorage Water and Wastewater Utility system; and  
5

6 **WHEREAS**, the immediate ability to expend funds to address this damage is critical  
7 to effective recovery efforts by the Municipality; and  
8

9 **WHEREAS**, pursuant to Charter Section 10.03, in the event of such an emergency,  
10 an ordinance may be introduced and adopted by the Assembly at the same meeting,  
11 provided the Assembly makes a finding in the ordinance that an emergency exists  
12 and provides a statement of the facts constituting the emergency; and  
13

14 **WHEREAS**, the Municipality is pursuing State and Federal assistance that, if and to  
15 the extent received, will be used to fully reimburse the costs of the repairs funded  
16 by this appropriation; and  
17

18 **WHEREAS**, the Disaster Recovery Fund has been established by the Office of  
19 Management and Budget as a subset of the Municipality's State and Federal  
20 Contribution Fund, as a single fund for use across the Municipality in funding and  
21 tracking disaster recovery expenditures for which the Municipality will seek  
22 reimbursement; and  
23

24 **WHEREAS**, pursuant to AR 2015-084, it is the policy of the Municipality of  
25 Anchorage to maintain an unrestricted general fund balance in an amount equal to  
26 10% of current year expenditures in its General Government fund budgets, and to  
27 maintain an unrestricted fund balance of 8.25% of current year expenditures in its  
28 non-major Governmental Operating Funds, as a Bond Rating Designation that will  
29 become committed fund balance, and to maintain unrestricted fund balances in its  
30 five major funds in an amount between 2.0% and 3.0% of current year expenditures  
31 as a Working Capital Reserve that will become part of an unassigned fund balance;  
32 and  
33

34 **WHEREAS**, pursuant to AMC 12.25.040B.5., if required, taxes required to fund the  
35 cost of an emergency ordinance enacted pursuant to Charter Section 10.03 are  
36 excluded from the tax increase limitation otherwise imposed by Charter Section  
37 14.03 and AMC Chapter 12.25, allowing for the recovery of any costs not  
38 reimbursed by State and Federal assistance without curtailment by the tax increase  
39 limitation; now, therefore,  
40

41 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
42

43 **Section 1.** Pursuant to Anchorage Municipal Charter Section 10.03, the  
44 Assembly hereby specifically finds that the November 30, 2018 Point MacKenzie

1 Earthquake resulted in a documented civil emergency within the Municipality of  
2 Anchorage. The Assembly further finds that (1) such emergency now requires  
3 immediate appropriation of funds for labor and capital costs necessitated by urgent,  
4 critical repairs to Municipal roadways, structures, and utility and enterprise  
5 infrastructure, including but not limited to major road repairs on Dowling Road and  
6 Third Avenue, structural inspection of bridges, dams, and over/under passes;  
7 remediation and repair at municipal facilities including the Department of Health and  
8 Human Services, Eagle River Town Hall, Fire Stations in Anchorage, Eagle River,  
9 and Chugiak, and Anchorage-wide parks and recreational facilities; replacement of  
10 Solid Waste Services structures; and extensive repairs to line breaks and leaks  
11 within the Anchorage Water and Wastewater Utility system; and (2) a failure to  
12 immediately address these issues will result in an insufficiency of services or  
13 facilities substantial enough to endanger the public health, safety or welfare.  
14

15 **Section 2.** The sum of not to exceed Nineteen Million Dollars (\$19,000,000) in  
16 Interfund Loan proceeds from the Areawide General Fund (101000) General Cash  
17 Pool Equity, are hereby appropriated to the Disaster Recovery Fund (231801).  
18

19 **Section 3.** The proceeds of the Interfund Loan aggregating not to exceed  
20 Nineteen Million Dollars (\$19,000,000) are available to be used for labor and capital  
21 expenses required to address and repair damage sustained by municipal property  
22 in the PMQ.  
23

24 **Section 4.** The sum of not to exceed Eleven Million Dollars (\$11,000,000) of  
25 Utilities' unrestricted net positions is hereby appropriated to their respective  
26 Reimbursed Projects Funds for repairs to damage related to the PMQ. The utilities  
27 referred to herein include only Anchorage Water and Wastewater Utility and  
28 Municipal Light & Power.  
29

30 **Section 5.** The Assembly hereby approves a temporary exception to the  
31 unreserved fund balance policy of the Municipality of Anchorage, permitting the  
32 Municipality to conclude the 2018 fiscal year with less than the unrestricted fund  
33 balances dictated by AR 2015-084 in light of the emergency circumstances outlined  
34 in this ordinance and the anticipated reimbursement, through State and Federal  
35 assistance or tax revenue.  
36

37 **Section 6.** The Municipality's Chief Fiscal Officer is delegated the responsibility  
38 to pursue reimbursement of costs of repairs to damage sustained during the PMQ  
39 from all available State of Alaska and Federal assistance programs. Any and all  
40 costs of repairs not reimbursed by available assistance programs shall be recovered  
41 by the imposition of appropriate municipal taxes pursuant to AMC 12.25.040B.5.  
42 during future calculations and imposition of such appropriate taxes in the  
43 Municipality.  
44

1 **Section 7.** This ordinance shall take effect immediately upon passage and  
2 approval by the Anchorage Assembly.  
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4  
5 PASSED AND APPROVED by the Anchorage Assembly this 18th day of December,  
6 2018.  
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11 \_\_\_\_\_  
12 Chair

12 ATTEST:

13  
14   
15 \_\_\_\_\_  
16 Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

No. AM 806-2018

Meeting Date: December 18, 2018

1 **From:** Mayor

2  
3 **Subject:** AN EMERGENCY ORDINANCE PROVIDING FINANCIAL  
4 RESOURCES FOR LABOR AND CAPITAL EXPENDITURES  
5 REQUIRED TO ADDRESS AND REPAIR CRITICAL DAMAGE TO  
6 MUNICIPAL INFRASTRUCTURE CAUSED BY THE POINT  
7 MACKENZIE EARTHQUAKE (PMQ) BY APPROPRIATING AN  
8 AMOUNT NOT TO EXCEED NINETEEN MILLION DOLLARS  
9 (\$19,000,000) FROM AN INTERFUND LOAN FROM THE AREAWIDE  
10 GENERAL FUND (101000), TO THE DISASTER RECOVERY FUND  
11 (231801) AND AN AMOUNT NOT TO EXCEED ELEVEN MILLION  
12 DOLLARS (\$11,000,000) OF UTILITIES' UNRESTRICTED NET  
13 POSITIONS TO THEIR RESPECTIVE REIMBURSED PROJECTS  
14 FUNDS, APPROVING A TEMPORARY EXCEPTION TO THE  
15 UNRESERVED FUND BALANCE DESIGNATION POLICY FOR THE  
16 MUNICIPALITY OF ANCHORAGE, AND PROVIDING A PLAN FOR  
17 FUTURE REIMBURSEMENT OF SUCH APPROPRIATIONS.  
18

19 On Friday, November 30, 2018, at 8:29 a.m., a magnitude 7.0 earthquake occurred  
20 directly north of the Municipality of Anchorage, which resulted and threatened to  
21 result in personal injury and damage to both public and private property across the  
22 Municipality. At 10:45 a.m. on November 30, the Mayor declared that a civil  
23 emergency existed within the Municipality of Anchorage as a result of the  
24 earthquake. On Sunday, December 2, 2018, the Assembly approved AR 2018-374  
25 extending the Declaration of Civil Emergency issued by the Mayor on November 30,  
26 2018, through Tuesday, December 4, 2018 at 10 p.m.  
27

28 While the Municipality's Declaration of Emergency has expired, critical restoration  
29 work is and will remain urgently required to restore considerable damage to  
30 municipal property, including but not limited to major road repairs on Dowling Road  
31 and Third Avenue, structural inspection of bridges, dams, and over/under passes;  
32 remediation and repair at municipal facilities including the Department of Health and  
33 Human Services, Eagle River Town Hall, Fire Stations in Anchorage, Eagle River,  
34 and Chugiak, and Anchorage-wide parks and recreational facilities; replacement of  
35 Solid Waste Services structures; and extensive repairs to line breaks and leaks  
36 within the Anchorage Water and Wastewater Utility system. The immediate ability  
37 to expend funds to address this damage is critical to effective recovery efforts by the  
38 Municipality, and to preventing a situation in which an insufficiency of services or  
39 facilities will become substantial enough to endanger the public health, safety or  
40 welfare.  
41

42 The Office of Management and Budget has established the Disaster Recovery Fund  
43 as a subset of the Municipality's State and Federal Contribution Fund, as a single

1 fund for use across the Municipality in funding and tracking disaster recovery  
2 expenditures for which the Municipality will seek reimbursement. This Emergency  
3 Ordinance provides the authority to fund the Disaster Recovery Fund at the level  
4 predicted to be required to address known damages to municipal infrastructure. The  
5 Municipality is pursuing State and Federal assistance that, if and to the extent  
6 received, will be used to fully reimburse the costs of the repairs funded by this  
7 appropriation. Because of the anticipated time-lag between appropriation and  
8 reimbursement, it is expected that the Municipality will conclude the 2018 fiscal year,  
9 and potentially subsequent fiscal years, with unrestricted fund balances below the  
10 level required by the Municipality's Unreserved Fund Balance Designation Policy.  
11 Any and all costs of repairs not reimbursed by available assistance programs shall  
12 be recovered by the imposition of appropriate municipal taxes pursuant to AMC  
13 12.25.040B.5. during future calculations and imposition of such appropriate taxes in  
14 the Municipality.

15  
16 Full reimbursement of the appropriated funds will be sought from State and Federal  
17 assistance or through the imposition of taxes. Therefore, no summary of economic  
18 effects is included.

19  
20 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

21  
22 Prepared by: Department of Law  
23 Approved by: Rebecca A. Windt Pearson, Municipal Attorney  
24 Fund certification: Alexander Slivka, CFO  
25  
26 101000 -101240 \$19,000,000  
27 (Areawide General Fund Cash Balance)  
28  
29 540000/550000 – 305080  
30 530300-305080  
31 (Utilities' Unrestricted Net Position) \$11,000,000  
32 Concur: Lance Wilber, Director  
33 Office of Management and Budget  
34 Concur: William D. Falsey, Municipal Manager  
35 Respectfully submitted: Ethan A. Berkowitz, Mayor