AN EMERGENCY ORDINANCE PROVIDING FINANCIAL RESOURCES FOR LABOR, SUPPLIES, AND OTHER EXPENDITURES REQUIRED TO ADDRESS MUNICIPAL RESPONSE TO CORONAVIRUS DISEASE 2019 (COVID-19) BY APPROPRIATING AN AMOUNT NOT TO EXCEED TWELVE [ELEVEN] MILLION DOLLARS ($12[11]000,000) [TEN MILLION DOLLARS ($10,000,000)] FROM AN INTERFUND LOAN FROM THE AREAWIDE GENERAL FUND (101000), TO THE COVID-19 FUND (231802), 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, at 2:30 p.m. on March 12, 2020, 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 upon the events and circumstances specified above; and

WHEREAS, on March 13, 2020, the Assembly approved AR 2020-85 extending the Declaration of Civil Emergency issued by the Mayor through Tuesday, April 14, 2020; and

WHEREAS, on March 31, 2020 the Assembly approved EO 2020-1 authorizing appropriation of $3,000,000 for immediate expenses; and

WHEREAS, on April 14, 2020, the Assembly approved AR 2020-110 extending the Declaration of Civil Emergency issued by the Mayor through Friday, June 5, 2020; and

WHEREAS, on April 14, 2020 AIM 52-2020 – Emergency Procurements Awarded Under AMC 7.20.090 was presented to the Assembly; and

WHEREAS, to support small businesses financially impacted by COVID-19, the Municipality of Anchorage is appropriating $1,000,000 to the COVID-19 Fund (231802) to support a pilot project called “2020 Stabilization Fund for Small Businesses Impacted by COVID-19”. This grant program proposes to distribute $10,000 grants to 100 eligible small businesses impacted by COVID-19; and

WHEREAS, to support individuals impacted by COVID-19, the Municipality of Anchorage is appropriating $1,000,000 to the COVID-19 Fund (231802) to support Rental Assistance through the Alaska 2-1-1 program; and

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

WHEREAS, the Municipality is pursuing State and Federal assistance that, if and to the extent received, will be used to fully reimburse the costs of protecting the public safety, health and welfare of the Municipality of Anchorage from COVID-19; and

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

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

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Pursuant to Anchorage Municipal Charter Section 10.03, the Assembly hereby specifically finds that COVID-19 resulted in a documented civil emergency within the Municipality of Anchorage. The Assembly further finds that (1) such emergency now requires immediate appropriation of funds for labor, supplies and other expenditures to address the critical efforts by the Municipality to preserve and protect the public safety, health and welfare from COVID-19, including but not limited to support of the Emergency Operations Center (EOC), Personal Protective Equipment (PPE) for Anchorage Health, Police, Fire and any other departments where needed, professional services and hardware and software to implement and increase the use of online platforms; and (2) a failure to immediately address these issues will result in an insufficiency of services or facilities substantial enough to endanger the public health, safety or welfare.

Section 2. The sum of not to exceed Twelve [Eleven] Million Dollars ($12[11],000,000) [TEN MILLION DOLLARS ($10,000,000)] in Interfund Loan proceeds from the Areawide General Fund (101000) General Cash Pool Equity, are hereby appropriated to the COVID-19 Fund (231802).

Section 3. The proceeds of the Interfund Loan aggregating not to exceed Twelve [Eleven] Million Dollars ($12[11],000,000) [TEN MILLION DOLLARS ($10,000,000)] are available to be used for labor, supplies, professional services,
[AND] other expenses, the Rental Assistance Program, and the pilot project for small businesses as required to preserve and protect the public safety, health and welfare from COVID-19.

Section 4. The Assembly hereby approves a temporary exception to the unreserved fund balance policy of the Municipality of Anchorage, permitting the Municipality to conclude the 2020 fiscal year with less than the unrestricted fund balances dictated by AR 2015-084 in light of the emergency circumstances outlined in this ordinance and the anticipated reimbursement, through State and Federal assistance or tax revenue.

Section 5. The Municipality’s Chief Fiscal Officer is delegated the responsibility to pursue reimbursement of costs from all available State of Alaska and Federal assistance programs. Any and all costs not reimbursed by available assistance programs shall be recovered by the imposition of appropriate municipal taxes pursuant to AMC 12.25.040B.5. during future calculations and imposition of such appropriate taxes in the Municipality.

Section 6. This ordinance shall take effect immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 5th day of May, 2020.

Chair

ATTEST:

Municipal Clerk
MUNICIPALITY OF ANCHORAGE
Assembly Memorandum
No. AM 262-2020(A-1)
Meeting Date: May 5, 2020

From: Mayor

Subject: AN EMERGENCY ORDINANCE PROVIDING FINANCIAL RESOURCES FOR LABOR, SUPPLIES, AND OTHER EXPENDITURES REQUIRED TO ADDRESS MUNICIPAL RESPONSE TO CORONAVIRUS DISEASE 2019 (COVID-19) BY APPROPRIATING AN AMOUNT NOT TO EXCEED TWELVE [ELEVEN] MILLION DOLLARS ($12[11],000,000) [TEN MILLION DOLLARS ($10,000,000)] FROM AN INTERFUND LOAN FROM THE AREAWIDE GENERAL FUND (101000), TO THE COVID-19 FUND (231802), 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.

The attached S-1 version of emergency ordinance EO 2020-4 includes $1,000,000 to support small businesses financially impacted by COVID-19. This appropriation would support a pilot project called “2020 Stabilization Fund for Small Businesses Impacted by COVID-19”. This grant program proposes to distribute $10,000 grants to 100 eligible small businesses impacted by COVID-19. Additionally, it includes $1,000,000 to support individuals impacted by COVID-19, by providing Rental Assistance through the Alaska 2-1-1 program.

On March 12, 2020, the Mayor declared a civil emergency existed related to the COVID-19 pandemic. The next day, on March 13, the Assembly approved AR 2020-85 which extended the Mayor’s emergency declaration through April 14, 2020. Also on March 13, the President of the United States issued a proclamation declaring the spread of COVID-19 a national emergency.

On March 31, 2020, the Assembly approved EO 2020-1 authorizing appropriation of $3,000,000 for expenses projected through April 14, 2020. On April 14, 2020, the Assembly approved AR 2020-110 that extended the Mayor’s emergency declaration through Friday, June 5, 2020.

This emergency ordinance provides immediate appropriation of funds for labor, supplies, and other expenditures necessary to address critical efforts to preserve and protect the public from COVID-19. These expenditures are necessary to prevent a situation in which an insufficiency of services or facilities will become substantial enough to endanger public health, safety, or welfare.

The Office of Management and Budget has established the COVID-19 Fund as a subset of the Municipality’s State and Federal Contribution Fund, as a single fund for use across the Municipality in funding and tracking disaster recovery expenditures for which the Municipality will seek reimbursement. This Emergency Ordinance provides the authority
to fund the COVID-19 Fund at the level estimated to be required to address known activities at this time.

The Municipality has incurred costs related to: support of the Emergency Operations Center (EOC); the Anchorage Health Department’s Department Operations Center (DOC); staging for vulnerable populations at the Ben Boeke and Sullivan Arenas; Personal Protective Equipment (PPE); and other miscellaneous supplies (disinfectants, hand sanitizer, etc.).

This funding is projected to cover those costs as well as cover costs to continue EOC operations, shelter for up to 480 people, additional PPE as needed, and other supplies as needed through May 30, 2020. At that time and based on the status of the COVID-19 outbreak and the need for additional services, another request for funding may be submitted.

The Municipality is pursuing State and Federal assistance that, if and to the extent received, will be used to fully reimburse the costs funded by this appropriation. Because of the anticipated time-lag between appropriation and reimbursement, it is expected that the Municipality will conclude the 2020 fiscal year, and potentially subsequent fiscal years, with unrestricted fund balances below the level required by the Municipality’s Unreserved Fund Balance Designation Policy. All costs not reimbursed by available assistance programs shall be recovered by the imposition of appropriate municipal taxes pursuant to AMC 12.25.040B.5. during future calculations and imposition of such appropriate taxes in the Municipality.

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

THE ADMINISTRATION RECOMMENDS APPROVAL.

Approved by: Kathryn R. Vogel, Municipal Attorney
Fund certification: Alexander Slivka, CFO

101000 -101240  $12,000,000
[11,000,000]
[10,000,000]
(Areawide General Fund Cash Balance)

Concur: Lance Wilber, Director
Office of Management and Budget
Concur: William D. Falsey, Municipal Manager

Respectfully submitted: Ethan A. Berkowitz, Mayor