

1 By: Assembly Finance Committee  
2 Bryce J. Ward, Mayor  
3 Introduced:  
4

5 FAIRBANKS NORTH STAR BOROUGH

6  
7 ORDINANCE NO. 2021 - 20 - TBD

8  
9 AN ORDINANCE AMENDING THE FY 2021-22 BUDGET BY APPROPRIATING \$18,811,783  
10 IN FEDERAL CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED  
11 UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) TO THE SPECIAL REVENUE FUND,  
12 CAPITAL PROJECTS FUND, AND/OR ENTERPRISE FUNDS FOR LOCAL FISCAL RECOVERY  
13 RELATED TO THE COVID-19 PANDEMIC AND AUTHORIZING THE USE OF  
14 CONTRACTUAL SERVICES AND/OR THE EMPLOYMENT OF ONE TERM-PERMANENT  
15 FULL-TIME EQUIVALENT EMPLOYEE FOR ADMINISTRATION OF THESE PROGRAMS  
16

17 WHEREAS, The American Rescue Plan Act (ARPA) was signed into law (P.  
18 Law 117-2) by the President on March 11, 2021; and  
19

20 WHEREAS, Section 9901 of ARPA amends the Title VI of the Social Security  
21 Act to add sections 602 and 603, which establishes the Coronavirus State Fiscal Recovery  
22 Fund and the Coronavirus Local Fiscal Recovery Fund (CSLFRF); and  
23

24 WHEREAS, The CSLFRF provides a combined \$350.0 billion to eligible State,  
25 local, territorial, and Tribal governments, of which \$65.1 billion is allocated to counties to  
26 respond to the COVID-19 public health emergency and its economic impacts; and  
27

28 WHEREAS, CSLFRF funds to counties are to be paid in two tranches to help  
29 encourage recipients to adapt their recovery plans to new developments that could arise  
30 over the coming twelve months; and  
31

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT  
Text to be *added* is underlined  
Text to be *deleted* is [BRACKETED, CAPITALIZED]

32 WHEREAS, \$18,811,783 of CSLFRF funds to counties are designated as  
33 direct aid to the Fairbanks North Star Borough (Borough); and

34  
35 WHEREAS, The Borough has received the first tranche of \$9,405,891.50  
36 from the U.S. Department of the Treasury (Treasury) and the second tranche of  
37 \$9,405,891.50 is expected to be received no earlier than July 2022; and

38  
39 WHEREAS, ARPA defines eligible uses of CSLFRF funds as: (A) respond to  
40 the public health emergency with respect to COVID-19 or its negative economic impacts;  
41 (B) provide premium pay to eligible essential workers; (C) provide government services  
42 to the extent of reduction in revenue due to the emergency; and (D) make necessary  
43 investments in water, sewer, or broadband infrastructure; and

44  
45 WHEREAS, The Secretary of the Treasury issued an Interim Final Rule on  
46 May 10, 2021 that prescribes allowable uses of ARPA CSLFRF funds. The Interim Final  
47 Rule, while effective immediately, may be altered after public comment and could  
48 therefore change before it becomes final; and

49  
50 WHEREAS, Based on the Interim Final Rule revenue reduction calculation  
51 date of December 31, 2020, the Borough Administration estimates the portion of Borough  
52 CSLFRF funds that are attributed to its revenue loss is approximately \$13 million. Future  
53 revenue reduction calculations will need to be performed as of December 31, 2021, 2022,  
54 and 2023; and

55  
56 WHEREAS, Treasury guidance states that recipients have broad latitude to  
57 use the CSLFRF funds for the provision of government services in (C) noted above -  
58 Revenue Loss, while other eligible uses of funds in (A) - Public Health and Economic

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59 Impacts, (B) - Premium Pay, and (D) – Investments in Infrastructure, are more restrictive;  
60 and

61

62 WHEREAS, To comply with ARPA, the Borough must segregate the CSLFRF  
63 funds between the lost revenue uses and the other uses of the funds.

64

65 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks  
66 North Star Borough:

67

68 Section 1. Classification. This ordinance is not of a general and  
69 permanent nature and shall not be codified.

70

71 Section 2. Acceptance of Federal Direct Payments. The Fairbanks North  
72 Star Borough formally accepts \$18,811,783 in federal ARPA CSLFRF funds from the U.S.  
73 Department of the Treasury.

74

75 Section 3. Special Revenue Fund, Capital Projects Fund, and/or  
76 Enterprise Funds Appropriation. The FY 2021-22 budget is hereby amended by  
77 appropriating \$18,811,783 to the Special Revenue Fund, Capital Projects Fund, and/or  
78 Enterprise Funds between the budgetary guidelines entitled "2021 ARPA Lost Revenue  
79 Uses" and the "2021 ARPA Other Uses" and by increasing estimated revenue from federal  
80 funds by a like amount. Estimated amounts for each budgetary guideline are prioritized  
81 and listed in Attachment A of this ordinance.

82

83 Section 4. Determination of Eligibility and Classification for Use of Funds.  
84 Uses must meet the requirements of the CSLFRF established under ARPA, the Treasury  
85 Department's Interim Final Rule or Final Rule, as applicable, and any guidance provided

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86 by the Treasury Department for eligibility and for classification between lost revenue uses  
87 and other uses.

88

89 Section 5. Project/Program Prioritization and Execution. Attachment A  
90 indicates each project's/program's approved priority and use-of-funds classification. The  
91 Administration shall initiate and execute projects/programs in the approved list up to the  
92 amounts appropriated. Each project or program amount is a preliminary estimate. These  
93 projects may be modified by the administration if necessary to comply with the  
94 requirements of the funding source; any such modifications will be communicated to the  
95 Assembly.

96

97 Section 6. Modifications to Projects/Programs. The Mayor may modify  
98 the projects/programs list in Attachment A as follows: Any remaining funds from  
99 completed or abandoned projects/programs or excess funds from a project/program may  
100 be expended for another project/program on the list, within the appropriate use-of-funds  
101 classification. The intent is that funds will first be allocated to approved Capital  
102 Improvement Projects that qualify for the more restricted categories of eligible uses, then  
103 to increase the Oil-to-Gas Conversion Program and the Health and Social Services Pass-  
104 Through Grant Program in equal amounts, if possible, within the appropriate use-of-funds  
105 classification. Modifications will be communicated to the Assembly.

106

107 Section 7. Eligible Expenditure Period. Expenditures incurred with the  
108 period of performance, as stated in the agreement with the U.S. Department of the  
109 Treasury, are eligible for expenditure.

110

111 Section 8. Accounting Authorization. These funds shall be recorded and  
112 accounted for on the Borough's books using the most suitable fund(s) and proper

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113 method(s), as determined by the Chief Financial Officer, in accordance with generally  
114 accepted accounting principles.

115

116 Section 9. Allocation of Health and Social Services Pass-Through Grants.

117 The parameters for a grant program awarding these funds will be established by a future  
118 ordinance of the Assembly.

119

120 Section 10. Position Authorization. The FY 2021-22 budget is hereby  
121 amended by increasing the employee position count by one (1) term-permanent full-time  
122 equivalent (FTE) in the Department of the Mayor, to be used at the mayor's discretion  
123 for administering the funds appropriated herein. Alternatively, the funds may be used  
124 for contractual services to help administer the programs.

125

126 Section 11. Effective Date. This ordinance is effective at 5:00 p.m. on the  
127 first Borough business day following its adoption.

128

129 ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2021.

130

131

132

133

\_\_\_\_\_  
Mindy O'Neal  
Presiding Officer

134

135

136 ATTEST:

APPROVED:

137

138

139

\_\_\_\_\_  
April Trickey, CMC  
Borough Clerk

\_\_\_\_\_  
Jill S. Dolan  
Borough Attorney

140

141

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FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2021-20-TBD

ATTACHMENT A

Priority	Project/Program Description	Budgetary Guideline	* ARPA Lost Revenue Use Allocation	ARPA Other Uses Allocation	Total
1	FCVB dba Explore Fairbanks Tourism Grant 2021	Other Use		\$350,000	
2	FCVB dba Explore Fairbanks Tourism Grant 2022	Other Use		\$350,000	
3	CIP Projects (Qualifying Most Restricted Allocation)	Other Use		\$1,276,621	
4	Local Community Assistance Pass-Through Grant Program	Other Use		\$500,000	
5	Ballaine Lake Service Area Septic Replacement	Other Use		\$1,000,000	
6	Borough Online Payment Improvements	Other Use		\$300,000	
7	Borough Staff Training - Management & Customer Service	Lost Revenue Use	\$25,000		
8	Public Meeting Improvements @ NWL	Other Use		\$250,000	
9	Borough Owned Deteriorated Properties Cleanup	Lost Revenue Use	\$1,000,000		
10	Carlson Center Program Equipment	Lost Revenue Use	\$1,000,000		
11	Job Classification and Wage Placement Tool Update	Lost Revenue Use	\$300,000		
12	Pioneer Park Upgrades	Lost Revenue Use	\$4,000,000		
13	Boroughwide Broadband Study**	Lost Revenue Use	\$3,000,000		
14	Qualifying Solid Waste Disposal Enterprise Projects	Other Use		\$2,000,000	
15	Borough Oil-to-Gas Conversion Program	Lost Revenue Use	\$1,000,000		
16	Borough Cybersecurity Improvements	Lost Revenue Use	\$750,000		
			<u>\$11,075,000</u>	<u>\$6,026,621</u>	<u>\$17,101,621</u>
Borough Indirect Rate					<u>\$1,710,162</u>
Total Appropriation					<u>\$18,811,783</u>

\* The total amount classified to the "Lost Revenue Use" cannot exceed the results of the calculation of the Borough's reduction in revenue as prescribed by the Interim Final Rule (and later by the Final Rule, if different) which is currently estimated at approximately \$13 million.

\*\* Use of these funds is contingent on the acquisition of a broadband utility power.

NOTES: Determinations have not yet been made of each project's or program's eligibility or of each project's or program's use-of-funds classification [(A) public health and negative economic impacts, (B) premium pay to eligible essential workers, (C) government services to extent of reduction in revenue ("lost revenue"), (D) necessary investments in water, sewer, and broadband infrastructure].

The scope of each project or program must be defined and it must be defined in a manner which supports and justifies the two determinations 1) of eligibility and 2) of the use-of-funds classification.

FAIRBANKS NORTH STAR BOROUGH  
FISCAL NOTE

I. Request

Ordinance No: 2021-20-TBD Date Introduced: 9/9/2021  
 Abbreviated Title: \$18,811,783 in Federal Coronavirus State and Local Fiscal Recovery Funds for Local Fiscal Recovery Related to the COVID-19 Pandemic

II. Financial Detail

Department/Division Affected: Various

EXPENDITURE	Special Revenue Fund, Capital Projects Fund, and/or Enterprise Funds		Total
	FY 21/22	FY 21/22	FY 21/22
Capital Outlay			
Contractual Services			
Other - Awaiting Budget	17,101,621		
Indirect	1,710,162		
<b>Total</b>	<b>17,811,783</b>		

SOURCE OF FUNDING

Federal Funds	18,811,783		
State Funds			
<b>Total</b>	<b>18,811,783</b>		

Specify Funding Source: ARPA CSLFRF funding from the U.S. Department of the Treasury

OTHER FUNDING (PREVIOUSLY APPROPRIATED)


III. Project Purpose:

To provide funding for local fiscal recovery related to the COVID-19 pandemic

IV. Analysis of Future Liabilities and Funding Sources:

None

V. Fund Certification: I certify that funding sources are available as detailed in II above.

\_\_\_\_\_  
Debra L. R. Brady  
Chief Financial Officer

\_\_\_\_\_  
Date

FA	SA
Sr.GLA	GA
CA	SpA
C	TBM



# Fairbanks North Star Borough

DEPARTMENT OF THE ASSEMBLY  
Assembly

assembly@fnsb.gov  
Main: (907) 459-1401  
Fax: (907) 459-1224

## MEMORANDUM

**TO:** Fairbanks North Star Borough Assembly  
April Trickey, CMC, Borough Clerk

**THROUGH:** Leah Berman Williams, Chair, Finance Committee

**FROM:** Adena Benn, CMC, Deputy Clerk

**DATE:** July 19, 2021

**SUBJECT: ACTION OF THE JULY 15, 2021 SPECIAL FINANCE COMMITTEE MEETING**

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Convened at 5:32 p.m./Adjourned at 7:24 p.m.

### Members Present

Mindy O'Neall	Liz Lyke	Frank Tomaszewski
Jimi Cash (Arr: 5:54 p.m.)	Tammie Wilson	Marna Sanford
Leah Berman Williams		

### Members Excused

Matt Cooper	Aaron Lojewski
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## COMMUNICATIONS FROM THE CHAIR

Introduction and intent of meeting by Leah Berman Williams, Finance Committee Chair.

**-Opening remarks given by Chair Williams.**

## CITIZENS' COMMENTS – EACH PERSON'S COMMENTS LIMITED TO 3 MINUTES

Alan Armbruster spoke in support of funding for pickleball courts and recreation space

Chris Puchner spoke in support of funding for the Nordic Ski Club

Elena Sudduth spoke in support of funding for oil to natural gas conversion funding for the Interior Gas Utility (IGU)

Carl Gohlke spoke in support of funding for oil to natural gas conversion for the Interior Gas Utility (IGU)





## **NEW BUSINESS**

Brainstorming session with the Administration to develop a draft plan for expenditure of American Rescue Plan Act funds allocated to the Fairbanks North Star Borough, including creation by the Finance Committee of a draft list of projects.

**-Presentation on ARPA funding guidelines given by Jill Dolan, Borough Attorney. A discussion with the administration and assembly produced the following potential projects:**

**Pioneer Park Water and Sewer repairs**

**Pearl Creek Water connection**

**Ballaine Service Area Septic Replacement**

**Alternative Assembly Chambers equipment at Noel Wien Library**

**Tourism and Hospitality Grants**

**Online payment options for citizens (property tax, user fees, etc)**

**Boroughwide Broadband speed and availability study**

**Deteriorated property/buildings clean up**

**Job training, specifically solarized job training**

**Housing shortage incentive programs**

**Essential worker pay incentives**

**Cybersecurity modernization including hardware, software and protection of critical infrastructure**

**Community assistance grants to Fairbanks Food Bank and Rescue Mission or other entities to assist with housing and food insecurity**

**Vaccine incentives**

**Fairbanks area trails improvements**

**FNSB recruitment assistance/essential worker incentives**

**The Assembly will seek public input on the draft list of projects then further discuss and prioritize the list at a Special Finance Committee meeting on August 19, 2021.**



# Fairbanks North Star Borough

DEPARTMENT OF THE ASSEMBLY

Assembly

Assembly@fnsb.gov

Main: (907) 459-1401

Fax: (907) 459-1224

## MEMORANDUM

**TO:** Assembly Finance Committee

**FROM:** Leah Berman Williams, Chair, Finance Committee *LBW*

**DATE:** July 1, 2021

**SUBJECT:** **Special Finance Committee meetings – American Rescue Plan Act (ARPA)**

I have scheduled two Special Finance Committee meetings beginning at 5:30 p.m. on July 15 and August 19, 2021 to take up the issue of ARPA funding. The Regular Finance Committee and Committee of the Whole meetings will follow immediately after.

The July 15 meeting is scheduled for the purpose of soliciting input from the public, administration and the committee on how the ARPA funds should be allocated. After public comment, there will be time for the committee to brainstorm ideas with the administration and to produce a draft list of projects. A memo from Mayor Ward with the administration's proposed projects is attached.

The August 5 meeting will again solicit input from the public, administration and committee to prioritize the list of projects created at the July 15 meeting. Following the August 5 meeting, an ordinance will be sponsored by this committee to recommend the prioritized list to the Assembly.

**You are encouraged to submit projects and ideas to the Legal Department prior to July 15 to allow for a review to determine if the project is allowable under the ARPA guidelines.**

Attachments: Mayor Ward's memo with proposed projects  
Mayor Ward's June 17 ARPA presentation to the Finance Committee




# Fairbanks North Star Borough

MAYOR'S OFFICE

mayor@fnsb.gov  
Main: (907) 459-1300

## MEMORANDUM

**TO:** Fairbanks North Star Borough Assembly

**FROM:** Bryce Ward, Mayor 

**DATE:** July 1<sup>st</sup> 2021

**SUBJECT:** Work session on American Rescue Plan Act projects

I am submitting the following projects with estimated funding amounts for consideration by the Assembly Finance Committee utilizing American Rescue Plan Act (ARPA) funds.

### Most restricted funds (6 million)

Pioneer Park Water and Sewer repairs	(4.5 Million)
Pioneer Park Bathroom Replacement	(2 Million)
Pearl Creek Water connection	(4.5 Million)
Ballaine Service area Septic Replacement	(500,000- 1 Million)
Alternative Assembly Chambers equipment at Noel Wien Library	(250,000+)
Tourism and Hospitality Grants	(700,000+)
Online options (Sales tax, Property, Community Planning Etc)	(250,000)
Expanding Treasury and Budget counter-lobby area	(3 Million)

### Less restrictive funds (13 million)

Boroughwide Broadband speed and availability study	(2-3 million)
Staff Training opportunities	(10,000-20,000)
Employee appreciation activity	(5,000-10,000)
Transit fleet replacement	(600,000+)
CIP projects (from the current plan)	(see plan)
Carlson Center program equipment	(500,000-1,000,000)
Deteriorated property-buildings cleanup	(1 million+)

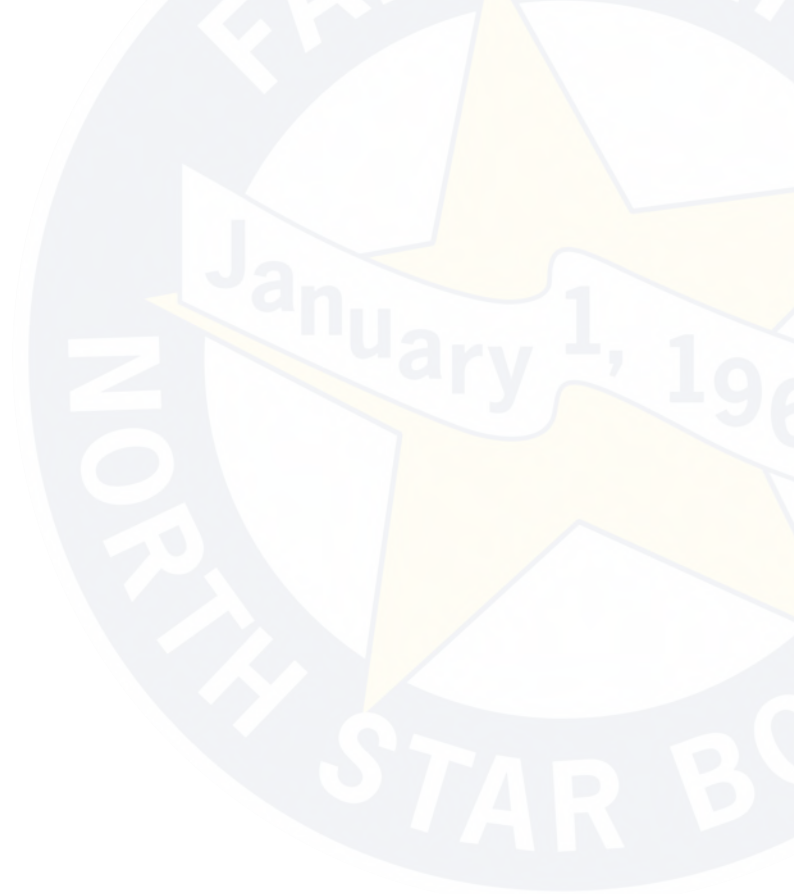
FAIRBANKS NORTH STAR BOROUGH

# American Rescue Plan Act – 2021

## Direct Assistance for Local Governments

Bryce Ward, Mayor

June 17, 2021



## **H.R. 1319**

# **The American Rescue Plan Act**

Signed into law on March 21, 2021 by President Biden. \$1.9 Trillion appropriated for COVID-19 response and economic recovery.



# \$1.9 Trillion Appropriation

- \$362 Billion set aside for state and local governments
- \$65 Billion in direct aid to counties
- \$18.8 million in direct aid to FNSB
- Generally broad flexibility in use of funds within guidelines

One Hundred Seventeenth Congress  
of the  
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Sunday,  
the third day of January, two thousand and twenty-one*

An Act

To provide for reconciliation pursuant to title II of S. Con. Res. 5.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “American Rescue Plan Act of 2021”.

**SEC. 2. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.



# **Generally Accepted Uses of ARPA Funds<sup>1</sup>**

- **Offset lost public sector revenues (see formula guidance)**
- **Respond to and/or mitigate the COVID-19 public health emergency**
- **Address negative economic impacts of pandemic & facilitate economic recovery**
- **Invest in water, sewer or broadband projects**
- **Provide premium pay for essential workers**



<sup>1</sup>See: Department of Treasury, Interim Final Rule @ <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>



## **General Sideboards**

- **Can't reduce taxes**
- **Can't shore up pension funds**
- **Funds must be incurred by December 31, 2024 and spent by December 31, 2026**
- **Have to keep track of how funds were spent and how the expenditure of funds did not reduced taxes**
- **Must align with FNSB Powers and authority**





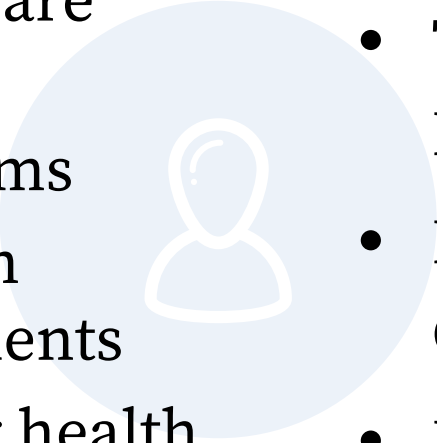
# **GFOA Recommended Principles**

- **ARPA funds are temporary**
  - Avoid new programs or program add-ons
  - Using funds to cover operating deficits – carefully assess sustainability
  - Consider investments in critical infrastructure
- **Scanning and Partnering**
  - Coordinate with other overlapping jurisdictions
  - Consider regional initiatives
- **Take Time, Consider Carefully**
  - Consider all alternatives, use funds where no other options are available

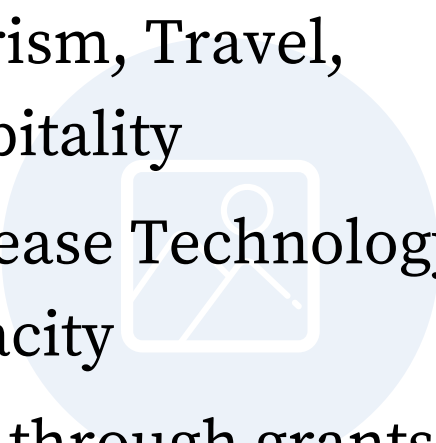


# Examples of authorized uses:

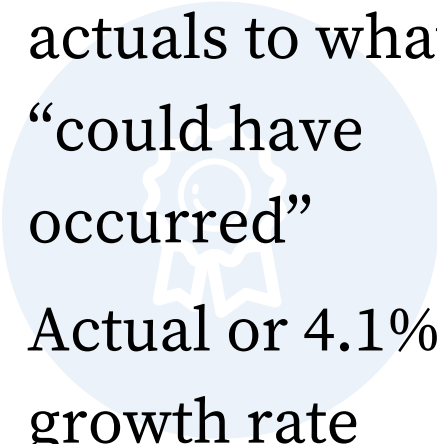
## Public Health Response:

- Vaccines
  - Testing / Tracing
  - PPE
  - Increase Care Capacity
  - Data systems
  - Ventilation Improvements
  - Payroll for health workers
- 

## Economic Recovery Response:

- Small business grants
  - Aid to families & households
  - Tourism, Travel, Hospitality
  - Increase Technology Capacity
  - Pass through grants
- 

## Offset Lost Revenues:

- Most broad latitude to use funds
  - May compare actuals to what “could have occurred”
  - Actual or 4.1% growth rate benchmarks
- 

# Examples of authorized uses:

## **Water, Sewer Broadband:**

- Water Main Extensions & Loops
- Sewer and Water Inventories
- Energy Efficient Upgrades
- Implement suggestions from HMP
- PFAS Disposal
- Broadband Service Studies



## **Premium Pay for Essential Workers:**

- Eligible workers must meet criteria
- Caps to wages and benefits apply



# What we can't do:

## Reduce Taxes:

- Directly OR Indirectly
- If taxes are reduced in subsequent years, must be able to demonstrate how ARPA funds were not used to offset

## Shore Up Pension Funds or establish rainy day funds:

- To reduce unfunded liabilities
- Reduce contribution rates
- May use for regular payroll contributions
- Pay dividends
- Pay debt service

## Exercise authority not granted in law:

- must align with powers listed in FNSBC 1.12 and Alaska Statutes



# **Fiscal management**

## **Best Practices to account for funds**

1. Determine revenue loss according to guidance
2. Establish a 'revenue loss' fund to account for less restricted uses
3. Establish a 'restricted' fund pot in which projects or programs must be expressly allowed under the act.
4. Projects and programs can be separately authorized by ordinance according to fund source
5. Funds come in two tranches, 1/2 now 1/2 next year (may affect projects)

## Next Steps

- ARPA guidance highly suggest a community engagement process (schedule an open house in August?)
- Provide Feedback to Treasury on Interim Final Rule (due July 9<sup>th</sup>)
- Request specific review of projects by treasury if question on allowability
- Verify loss revenue calculations
- Appropriate funds into two buckets
- Coordinate programs with local Cities and State of Alaska



# What can we do?

## Projects and programs for the two buckets

### Support Public Health Response and capital investments

- Covid 19 mitigation and containment
- Medical Expenses or grants
- Behavioral Health assistance grants
- Public safety and safety staff
- Aid to households, small businesses, nonprofits and industries such as travel, tourism and hospitality.
- Premium pay for essential workers
- Water, sewer or broadband infrastructure
- Vaccine campaigns

### Revenue Loss For Public Sector Bucket

- Lost revenue can be invested for almost any government service with certain exceptions.
- Examples
  - Broadband Analysis
  - Capital improvement
  - Service Programs
  - Training
  - Deferred maintenance



**Questions?**

