

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
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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:

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139

April Trickey, CMC
Borough Clerk

Jill S. Dolan
Borough Attorney

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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		
Total	17,811,783		

SOURCE OF FUNDING

Federal Funds	18,811,783		
State Funds			
Total	18,811,783		

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