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By: Bryce J. Ward, Mayor  
Matt Cooper  
Marna Sanford  
Introduced: 06/11/2020  
Advanced: 06/11/2020  
Amended: 06/18/2020  
Adopted: 06/18/2020  
Immediate  
Reconsideration Failed: 06/18/2020  
Adopted: 06/18/2020

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2019-20-1Z

AN ORDINANCE AMENDING THE FY 2019-20 BUDGET BY APPROPRIATING \$24,684,398 IN FEDERAL PASS-THROUGH FUNDING TO THE SPECIAL REVENUE FUNDS, CAPITAL PROJECTS FUND, AND/OR ENTERPRISE FUNDS TO COVER ELIGIBLE BOROUGH EXPENSES AND ESTABLISHING GRANT PROGRAMS TO PROVIDE ECONOMIC RELIEF TO BUSINESSES IMPACTED BY THE COVID-19 PANDEMIC; WAIVING FNSBC 16.12.090(A) REGARDING PRIOR APPROVAL OF CONTRACTS OVER \$100,000; AND AUTHORIZING THE MAYOR TO JOINTLY ADMINISTER CARES ACT GRANT PROGRAMS WITH OTHER MUNICIPALITIES

WHEREAS, The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) was signed into law by the President on March 27, 2020; and

WHEREAS, Title V, Section 5001 of the CARES Act amended the Social Security Act to add a new Title VI, Section 601 which established a \$150 billion Coronavirus Relief Fund (CRF) for payments to States, Tribal governments and units of local governments; and

WHEREAS, The Alaska Legislature accepted the State of Alaska’s \$1.25 billion allotment of CARES Act CRF dollars; and

WHEREAS, \$24,684,398 of the State’s CRF dollars have been allocated to the Fairbanks North Star Borough and will be distributed by the Alaska Department of Commerce, Community, and Economic Development (DCCED); and

WHEREAS, CARES Act relief funds may only be spent on expenditures related to actions taken to respond to the COVID-19 public health emergency; and

44 WHEREAS, The Borough will first use CARES Act relief funding to cover  
45 actual expenses of the Borough in response to the COVID-19 public health emergency;  
46 and

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48 WHEREAS, Borough expenses incurred through December 30, 2020, are  
49 currently eligible to be covered by this funding; and

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51 WHEREAS, The Borough is setting aside a portion of the funds as a  
52 contingency to cover future unknown costs for such expenses as deep cleaning of a  
53 facility exposed to a COVID-19-positive individual, additional protective measures as  
54 Borough facilities expand public access, etc.; and

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56 WHEREAS, The Borough intends to use remaining unspent CARES Act relief  
57 funds as grants to Fairbanks North Star Borough businesses and organizations as  
58 economic support for costs incurred or revenue losses suffered as a result of the COVID-  
59 19 public health emergency and to reimburse administrative costs related to the setup  
60 and administration of the Borough CARES Act grant programs; and

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62 WHEREAS, The Borough intends to establish three Borough CARES Act  
63 grant programs: Business Interruption Grant, Healthcare Impact Grant, and Personal  
64 Protection Equipment Grant; and

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66 WHEREAS, The Borough Administration intends to allocate CARES Act funds  
67 in the following approximate amounts to each grant program: Business Interruption  
68 Grant, \$10,000,000; Healthcare Impact Grant, \$7,000,000; and Personal Protection  
69 Equipment Grant, \$1,500,000; and

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71 WHEREAS, The Business Interruption Grant would provide up to \$15,000  
72 per eligible business and non-profit applicant in economic support to offset business  
73 interruptions and/or closures due to the COVID-19 pandemic; and

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75 WHEREAS, The Healthcare Impact Grant would reimburse local health care  
76 provider costs incurred during the COVID-19 public health emergency that would  
77 otherwise not be available from other State and federal COVID-19 relief programs; and

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79 WHEREAS, The Personal Protection Equipment Grant would reimburse  
80 individual borough area businesses and non-profits up to \$1,500 each for costs incurred  
81 to provide personal protection equipment or cleaning supplies for employees or customers  
82 during the COVID-19 public health emergency; and

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84 WHEREAS, The Borough Administration intends to use the most efficient  
85 combination of in-house resources and external contractors to transparently provision  
86 and administer the Borough's CARES Act grant programs while at the same time get  
87 much-needed financial relief to the borough community as quickly as possible; and

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WHEREAS, Some of the Borough Response Funding is intended to be used to assist the School District, a component unit of the Borough, with its unanticipated expenses for supplies and equipment such as PPE, cleaning products, and other safety measures to ensure a safe environment for its students and staff; and

WHEREAS, If direct Borough expenditures are less than estimated, then the remaining portion of funding will be allocated to the grant programs outlined in this ordinance, at the direction of the Administration; and

WHEREAS, If a grant program’s expenditures are less than estimated, then the remaining portion of funding will be allocated to the other grant programs outlined in this ordinance, at the direction of the Administration; and

WHEREAS, FNSBC 16.12.090(A) states that every Borough contract, contract modification, or change order is subject to the prior approval of the Borough Assembly, when the amount exceeds \$100,000.

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

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

Section 2. Acceptance of Federal Pass-Through Funding. The Fairbanks North Star Borough formally accepts the estimated \$24,684,398 in federal funding from the CARES Act, passed through DCCED for the costs that are for necessary expenditures incurred due to the public health emergency with respect to COVID-19.

Section 3. Special Revenue Funds, Capital Projects Fund, and/or Enterprise Funds Appropriation. The FY 2019-20 budget is hereby amended by appropriating \$24,684,398 to the Special Revenue Funds, Capital Projects Fund, and/or Enterprise Funds budgetary guideline stated below and by increasing estimated revenue from federal pass-through funds by a like amount.

	<u>Allocation</u>	<u>Appropriation</u>
Grant Programs:		
Business Interruption Grants (BIG)	\$10,000,000	
Health Care Impact Grants (HCIG)	7,000,000	
Personal Protection Equipment Grants (PPEG)	1,500,000	
Borough Response Funding	6,184,398	
		<u>\$24,684,398</u>

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Section 4. Allocation and award of Healthcare Impact Grants. Notwithstanding anything in Chapter 4.48 FNSBC to the contrary, the Health and Social Services Commission shall be authorized to establish priorities, allocate, and award Healthcare Impact Grants to applicants meeting the criteria in Attachment C.

Section 5. Parameters for Grant Programs. The parameters for the grant programs which will be available to businesses are set forth in Attachments A, B, and C attached hereto and made a part of this ordinance. These parameters may be modified if necessary to comply with the requirements of the funding source. Modifications will be communicated to the Assembly.

Section 6. Contingency. This appropriation is contingent upon the receipt of a signed and executed agreement with DCCED.

Section 7. Indirect Fee Waiver. Indirect fees are waived in accordance with the provisions of the CARES Act CRF funding.

Section 8. Provision for Appropriation. This appropriation is for an estimated amount. The actual amount of the financial assistance will be appropriated contingent, and based upon, the signed agreement with DCCED. Any material differences, as determined by the Chief Financial Officer, will be communicated to the Assembly.

Section 9. Eligible Expenditure Period. Expenditures incurred within the effective dates of the signed agreement with DCCED are eligible for reimbursement.

Section 10. Accounting Authorization. These funds shall be recorded and accounted for on the Borough's books using the most suitable fund(s) and proper method(s), as determined by the Chief Financial Officer, in accordance with generally accepted accounting principles.

Section 11. Waiver of FNSBC 16.12.090(A). The prior approval of the Assembly or finance committee for contracts related to the administration, support, and/or marketing of these grant programs, if the amount of any contract exceeds \$100,000, is waived. The Mayor will notify the Borough Finance Committee of any contracts awarded exceeding \$100,000.

Section 12. Authorization for Joint Administration of Programs. The mayor is authorized to enter into an agreement with another municipality for the joint administration of a grant program authorized herein.

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Section 13. Effective Date. This ordinance is effective immediately upon adoption.

ADOPTED THE 18<sup>TH</sup> DAY OF JUNE 2020.



Christopher Quist  
Presiding Officer

ATTEST:



April Trickey, CMC  
Borough Clerk

Yeses: Williams, Cash, Tomaszewski, O'Neill, Sanford, Lojewski, Lyke, Quist  
Noes: None  
Other: Cooper (Excused)

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2019-20-1Z

ATTACHMENT A

**Title:** Coronavirus Relief Business Interruption Grant (BIG)

**Purpose:** The Business Interruption Grant is to provide relief and assistance up to \$15,000 to businesses and non-profits that have been adversely affected by the COVID-19 public health emergency and meet the requirements of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**Eligibility Requirements:**

To be eligible for BIG funding, businesses must:

1. Have 50 full time equivalent or fewer employees;
2. Have been substantially affected by the COVID-19 public health emergency, including closure by state or local mandate; voluntary closure "to promote social distancing" or due to staffing shortages; or, been affected by a decreased customer demand as a result of the COVID-19 public health emergency;
3. Be engaged in business on or before March 1, 2020;
4. Be in compliance with the requirements of the Division of Corporations, Business and Professional Licensing;
5. Have annual revenues of the business or nonprofit not to exceed \$5 million as evidenced by Financial Statement or other financial documentation;
6. Have at least a 25% loss in revenue or 25% increase of expenditures that can be attributed to COVID-19 or have a disrupted supply network leading to shortage of critical inventory or materials; and
7. Operate out of a physical location within FNSB boundaries. Physical location includes a 'brick and mortar' edifice, farmers market, and other types of physical spaces.

**General Terms and Conditions:**

1. Eligible uses include working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of operations.
2. Grants not to exceed three months of cash operating expenses.
3. Business must execute a grant agreement with the Borough.
4. The amount of the grant may be reduced if the funding recipient is eligible to receive assistance from other sources including state or federal disaster relief.

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2019-20-1Z

ATTACHMENT B

**Title:** Coronavirus Relief Personal Protection Equipment Grant (PPEG)

**Purpose:** The Personal Protection Equipment Grant is to provide reimbursement to businesses and non-profits that have incurred additional costs to provide PPE and masks during the pandemic for employees and patrons up to \$1,500.

**Eligibility Requirements:**

To be eligible for PPEG funding, businesses must:

1. Be engaged in business on or before March 1, 2020;
2. Be in compliance with the requirements of the Division of Corporations, Business and Professional Licensing;
3. Operate out of a physical location within FNSB boundaries. Physical location includes a 'brick and mortar' edifice, farmers market, and other types of physical spaces; and
4. Have incurred additional costs for PPE or masks for staff or patrons between March 1, 2020 and no later than November 30, 2020 or the date of a submitted grant application.

**General Terms and Conditions:**

1. Business must execute a grant agreement with the Borough.
2. The amount of the grant may be reduced if the funding recipient is eligible to receive assistance from other sources including state or federal disaster relief.

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2019-20-1Z

ATTACHMENT C

**Title:** Coronavirus Relief Health Care Impact Grant (HCIG)

**Purpose:** The Health Care Impact Grant is to provide relief and assistance to health care businesses and non-profits that have been adversely affected by the COVID-19 public health emergency and meet the requirements of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

**Eligibility Requirements:**

To be eligible for HCIG funding, businesses must:

1. Be engaged in business on or before March 1, 2020;
2. Be in compliance with the requirements of the Division of Corporations, Business and Professional Licensing;
3. Operate out of a physical location within FNSB boundaries. Physical location includes a 'brick and mortar' edifice, farmers market, and other types of physical spaces;
4. Have annual revenues of the business or nonprofit greater than \$5 million as evidenced by Financial Statement or other financial documentation; and
5. Have at least a 25% loss in revenue or 25% increase of expenditures that can be attributed to COVID-19.

**General Terms and Conditions:**

1. Business must execute a grant agreement with the Borough.
2. The amount of the grant may be reduced if the funding recipient is eligible to receive assistance from other sources including state or federal disaster relief.



FAIRBANKS NORTH STAR BOROUGH  
FISCAL NOTE

I. Request

Ordinance No: 2019-20-17 Date Introduced: June 11, 2020

Abbreviated Title: \$24,684,398 in Federal Pass-Through Grant Funding to Cover Eligible Borough Expenses and Provide Economic Relief to Businesses Impacted by the COVID-19 Pandemic

II. Financial Detail

Department/Division Affected: Various

Special Revenue Funds,  
Capital Projects Fund, and/or  
Enterprise Funds

EXPENDITURE	FY 19/20	FY 19/20	Total FY 19/20
Capital Outlay			
Contractual Services			
Other - Awaiting Budget	24,684,398		
<b>Total</b>	<b>24,684,398</b>		

SOURCE OF FUNDING

Federal Pass-Through Funds	24,684,398		
State Funds			
<b>Total</b>	<b>24,684,398</b>		

Specify Funding Source: CARES Act funding passed through the State of Alaska Department of Commerce, Community, & Economic Development (DCCED)

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

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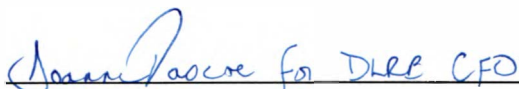
III. Project Purpose:

To cover eligible Borough expenses and provide economic relief to businesses impacted by 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

4/10/2020  
 Date

FA	SA
Sr. GLA	GA 
CA	SpA
C	TBM 