

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Office of Emergency Management
For reading: October 22, 2024

**ANCHORAGE, ALASKA
EO No. 2024-2**

1 **AN EMERGENCY ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE**
2 **PROVIDING ADDITIONAL FINANCIAL RESOURCES FOR CAPITAL**
3 **EXPENDITURES REQUIRED TO CONTINUE TO ADDRESS AND REPAIR**
4 **CRITICAL DAMAGE TO THE MUNICIPAL INFRASTRUCTURE CAUSED BY THE**
5 **2018 POINT MACKENZIE EARTHQUAKE (PMQ) BY APPROPRIATING AN**
6 **ADDITIONAL AMOUNT NOT-TO-EXCEED EIGHT MILLION DOLLARS**
7 **(\$8,000,000) FROM AN INTER-FUND LOAN OR TRANSFER FROM THE**
8 **AREAWIDE GENERAL FUND (101000) TO THE DISASTER RECOVERY FUND**
9 **(231801) FOR INFRASTRUCTURE REPAIRS, AND APPROPRIATING AN**
10 **AMOUNT NOT-TO-EXCEED TWO MILLION ONE HUNDRED THIRTY**
11 **THOUSAND (\$2,130,000) FROM AN INTER-FUND LOAN OR TRANSFER FROM**
12 **THE ANCHORAGE FIRE SERVICE AREA FUND (131000) TO THE**
13 **ANCHORAGE FIRE SERVICE AREA CAPITAL IMPROVEMENT PROJECTS**
14 **FUND (431800) IN THE ANCHORAGE FIRE DEPARTMENT FOR FIRE STATION**
15 **OLD FIRE STATION #11 STORAGE BUILDING REPAIRS, AND APPROVING A**
16 **CONTINUED TEMPORARY EXCEPTION TO THE UNRESERVED FUND**
17 **BALANCE DESIGNATION POLICY FOR THE MUNICIPALITY OF ANCHORAGE,**
18 **AND PROVIDING A CONTINUED PLAN FOR FUTURE REIMBURSEMENTS OF**
19 **SUCH APPROPRIATIONS.**

20
21 **WHEREAS**, on Friday, November 30, 2018, at 8:29 a.m., a magnitude 7.0
22 earthquake occurred directly north of the Municipality of Anchorage, which resulted
23 and threatened to result in personal injury and property damage, including the
24 collapse of several roadways, structural damage to municipal buildings, damage to
25 municipal water lines and wastewater systems, and damage to the power grids of
26 all local electrical utilities; and

27
28 **WHEREAS**, at 10:45 a.m. on November 30, 2018, pursuant to authority granted in
29 Article V, Section 5.02 of the Home Rule Charter for the Municipality of Anchorage
30 and AMC 3.80.040, the Mayor declared that a civil emergency existed within the
31 Municipality of Anchorage based on the events described above; and

32
33 **WHEREAS**, on November 30, 2018, corresponding state and federal disaster
34 declarations were issued by Governor Walker and the Department of Homeland
35 Security, Federal Emergency Management Agency, with approval of the President;
36 and

37
38 **WHEREAS**, the Assembly approved Emergency Order No. 2018-1 to provide for
39 resources for repair of the critical infrastructure; while EO 2018-1, and subsequent
40 extensions, have expired, the repair of critical infrastructure and corresponding
41 process for reimbursement from the recovery agencies is ongoing; and

42
43 **WHEREAS**, pursuant to AR 2015-084, it is the policy of the Municipality of

1 Anchorage to maintain an unrestricted general fund balance in an amount equal to
2 10% of current year expenditures in its General Government fund budgets, and to
3 maintain an unrestricted fund balance of 8.25% of current year expenditures in its
4 non-major Governmental Operating Funds, as a Bond Rating Designation that will
5 become committed fund balance, and to maintain unrestricted fund balances in its
6 five major funds in an amount between 2.0% and 3.0% of current year expenditures
7 as a Working Capital Reserve that will become part of an unassigned fund balance;
8 and
9

10 **WHEREAS**, pursuant to AMC 12.25.040B.5., if required, taxes required to fund the
11 cost of an emergency ordinance enacted pursuant to Charter Section 10.03 are
12 excluded from the tax increase limitation otherwise imposed by Charter Section
13 14.03 and AMC Chapter 12.25, allowing for the recovery of any costs not
14 reimbursed by State and Federal assistance without curtailment by the tax increase
15 limitation; and
16

17 **WHEREAS**, the Municipality is pursuing State and Federal assistance that, if and to
18 the extent received, will be used to fully reimburse the costs of the repairs funded
19 by this appropriation; and
20

21 **WHEREAS**, the work on the repairs from the PMQ have exceeded previous
22 projections and requires additional funding, this ordinance covers unbudgeted cost
23 overruns and provides additional budget authority projected to bring the remaining
24 earthquake-response projects to completion; and
25

26 **WHEREAS**, the work on Old Fire Station #11 Storage Building Repairs is required
27 to be accounted for in a capital projects fund, determined to be the Anchorage Fire
28 Service Area Capital Improvement Projects Fund (431800) for Old Fire Station #11
29 Storage Building Repairs, rather than the special revenue fund, the Disaster
30 Recovery Fund (231801); now, therefore
31

32 **THE ANCHORAGE ASSEMBLY ORDAINS:**

33

34 **Section 1.** Pursuant to Anchorage Municipal Charter Section 10.03, the
35 Assembly hereby specifically continues to find that the November 30, 2018, Point
36 MacKenzie Earthquake resulted in a documented civil emergency within the
37 Municipality of Anchorage. The Assembly further continues to find that (1) such
38 emergency now requires additional appropriation of funds for capital costs
39 necessitated by urgent, critical repairs to Municipal utility infrastructure, namely the
40 replacement of Fire Station #11 repair project; and (2) a failure to continue
41 addressing these issues will result in an insufficiency of services or facilities
42 substantial enough to endanger the public health, safety, or welfare.
43

44 **Section 2.** That an additional amount not-to-exceed Eight Million Dollars
45 (\$8,000,000) is hereby appropriated from inter-fund loan proceeds or transfers from
46 the Areawide General Fund (101000) general cash pool equity to the Disaster
47 Recovery Fund (231801) for the PMQ repair projects.
48

49 **Section 3.** That an amount not-to-exceed Two Million One Hundred Thirty
50 Thousand Dollars (\$2,130,000) is hereby appropriated from inter-fund loan
51 proceeds or transfers from the Anchorage Fire Service Area Fund (131000) general

1 cash pool equity to the Anchorage Fire Service Area Capital Improvement Projects
2 Fund (431800) in the Anchorage Fire Department for Old Fire Station #11 Storage
3 Building Repairs.

4
5 **Section 4.** The Assembly hereby continues to approve a temporary exception to
6 the unreserved fund balance policy of the Municipality of Anchorage, permitting the
7 Municipality to conclude any fiscal year, in which the project and recovery efforts
8 are on-going, with less than the unrestricted fund balances dictated by AR 2015-
9 084 in light of the emergency circumstances outlined in this ordinance and the
10 anticipated reimbursement, through State and Federal assistance or tax revenue.

11
12 **Section 5.** The Municipality’s Chief Fiscal Officer is delegated the responsibility
13 to pursue reimbursement of costs of repairs to damage sustained during the PMQ
14 from all available State of Alaska and Federal assistance programs. Any and all
15 costs of repairs not reimbursed by available assistance programs shall be recovered
16 by the imposition of appropriate municipal taxes pursuant to AMC 12.25.040B.5.
17 during future calculations and imposition of such appropriate taxes in the
18 Municipality.

19
20 **Section 6.** This ordinance shall be effective immediately upon passage and
21 approval by the Assembly.

22
23 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
24 _____, 2024.

25
26
27
28 _____
Chair of the Assembly

29 ATTEST:

30
31
32 _____
33 Municipal Clerk

34
35
36 **Department of Appropriation:**
37 PMQ \$8,000,000 (Not-to-Exceed)
38 Anchorage Fire Department \$2,130,000 (Not-to-Exceed)



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 840 – 2024

Meeting Date: October 22, 2024

1 **FROM: MAYOR**

2
3 **SUBJECT: AN EMERGENCY ORDINANCE OF THE MUNICIPALITY OF**
4 **ANCHORAGE PROVIDING ADDITIONAL FINANCIAL RESOURCES**
5 **FOR CAPITAL EXPENDITURES REQUIRED TO CONTINUE TO**
6 **ADDRESS AND REPAIR CRITICAL DAMAGE TO THE MUNICIPAL**
7 **INFRASTRUCTURE CAUSED BY THE 2018 POINT MACKENZIE**
8 **EARTHQUAKE (PMQ) BY APPROPRIATING AN ADDITIONAL AMOUNT**
9 **NOT-TO-EXCEED EIGHT MILLION DOLLARS (\$8,000,000) FROM AN**
10 **INTER-FUND LOAN OR TRANSFER FROM THE AREAWIDE GENERAL**
11 **FUND (101000) TO THE DISASTER RECOVERY FUND (231801) FOR**
12 **INFRASTRUCTURE REPAIRS, AND APPROPRIATING AN AMOUNT**
13 **NOT-TO-EXCEED TWO MILLION ONE HUNDRED THIRTY THOUSAND**
14 **(\$2,130,000) FROM AN INTER-FUND LOAN OR TRANSFER FROM THE**
15 **ANCHORAGE FIRE SERVICE AREA FUND (131000) TO THE**
16 **ANCHORAGE FIRE SERVICE AREA CAPITAL IMPROVEMENT**
17 **PROJECTS FUND (431800) IN THE ANCHORAGE FIRE DEPARTMENT**
18 **FOR FIRE STATION OLD FIRE STATION #11 STORAGE BUILDING**
19 **REPAIRS, AND APPROVING A CONTINUED TEMPORARY EXCEPTION**
20 **TO THE UNRESERVED FUND BALANCE DESIGNATION POLICY FOR**
21 **THE MUNICIPALITY OF ANCHORAGE, AND PROVIDING A**
22 **CONTINUED PLAN FOR FUTURE REIMBURSEMENTS OF SUCH**
23 **APPROPRIATIONS.**
24

25 This ordinance is requested for projects that need additional funding appropriated; this
26 ordinance covers unbudgeted cost overruns and provides additional budget authority
27 projected to bring the remaining earthquake-response projects to completion. Additional
28 project appropriations are due to: changes in the statement of work from initial requests,
29 time extensions that inflated costs, seasonality has affected several project completions,
30 Old Fire Station #11 Storage Building Repairs requires certifications to be completed that
31 are required, and some projects require additional environmental and mitigation reviews
32 than anticipated.
33

34 While the Municipality's Declaration of Emergency has expired, critical restoration work
35 is and will remain urgently required to restore considerable damage to municipal property
36 and replace of Municipality of Anchorage structures. The immediate ability to expend
37 funds to address this damage is critical to effective recovery efforts by the Municipality,
38 and to prevent a situation in which an insufficiency of services or facilities will become
39 substantial enough to endanger the public health, safety, or welfare.

This Emergency Ordinance provides the continued authority to fund the Disaster Recovery Fund at the level predicted to be required to address known damages to municipal infrastructure.

The Municipality is pursuing State and Federal assistance that, if and to the extent received, will be used to fully reimburse the costs of the repairs funded by this appropriation. Because of the anticipated time-lag between appropriation and reimbursement, it is expected that the Municipality may conclude the 2023 fiscal year, and potentially subsequent fiscal years, with unrestricted fund balances below the level required by the Municipality’s Unreserved Fund Balance Designation Policy. Any and all costs of repairs 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 will be sought for these newly appropriated funds and will continue to be sought for the previously appropriated funds, from State and Federal assistance or through the imposition of taxes. Therefore, no summary of economic effects is included.

The budget details are recommended as follows:

REVENUE	ACCOUNT NAME	AMOUNT
101000-101240	Areawide General Cash Pool – Equity	\$8,000,000
431800-351000-PF18024-4XXXXX	State/Federal Grant/Transfer	\$2,130,000

EXPENDITURE	ACCOUNT NAME	AMOUNT
231801-Multi-530380	Professional Services	\$8,000,000
431800-351000-PF18024-530380	Professional Services	\$2,130,000

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: Kari Wiederkehr, Office of Emergency Management
 Approved by: Amanda Loach, Office of Emergency Management
 Concur: Ona R. Brause, Director, OMB
 Fund Certification: Alden Thern, CFO
 101000-101240 \$8,000,000
 (Areawide General Fund Cash Balance)
 131000-101240 \$2,130,000
 (Anchorage Fire Service Area Fund Cash Balance)
 Concur: Eva Gardner, Municipal Attorney
 Concur: William D. Falsey, Acting Chief Administrative Officer
 Concur: Rebecca A. Windt Pearson, Municipal Manager
 Respectfully Submitted: Suzanne LaFrance, Mayor