

Kenai Peninsula Borough

Finance Department

MEMORANDUM

TO: Kelly Cooper, Assembly President

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*
Kelly Cooper, Assembly President *(B) for K.C.*

DATE: April 21, 2020

RE: Resolution 2020-032, Requesting Governor Mike Dunleavy Support Passing on a Portion of Federal Coronavirus Aid, Relief, and Economic Security Act Funding to Local Municipalities That Have Experienced Significant Revenue Loss Due to the Covid-19 Pandemic (Mayor, Cooper)

The novel Coronavirus known as Covid-19 was first discovered in China and since that time has spread to many countries throughout the world. On March 11, 2020 Governor Mike Dunleavy declared a state disaster for Alaska and on March 13, 2020 President Trump declared the pandemic a federal disaster. Mayor Pierce, issued a disaster declaration on March 16, 2020 due to the current and expected imminent impacts of the Covid-19 Pandemic in the areas of the Kenai Peninsula.

President Trump signed a massive \$2 trillion Coronavirus stimulus package, the Coronavirus Aid, Relief, and Economic Securities Act ("CARES Act"), to provide relief to American workers, hospitals, industries, and state and local governments.

The Kenai Peninsula Borough anticipates revenues losses of \$17.2 million in the next 24 to 30 months as a result of the Covid-19 Pandemic and the negative impact that businesses and individuals are experiencing during this federally declared disaster. The Kenai Peninsula Borough has also deferred critical capital projects and emergency services staffing needs, because we anticipate an economic contraction that will reduce the borough's ability to collect property and sales taxes. This will directly impact the borough's capacity to fund needed major maintenance, capital projects and emergency services staffing.

The State of Alaska is expected to receive \$1.25 billion in CARES Act federal money for state and local governments with populations greater than 500,000 who are dealing with the impacts of the crisis in their local communities. Since Alaska does not have localities that exceed 500,000 in population, the state will

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receive the entire \$1.25 billion. Therefore, we are requesting support from Governor Dunleavy to have the State of Alaska distribute up to 45% of the allocation to local governments as a pass through to provide relief for lost revenues, critical capital project funding and emergency services staffing.