

**PETERSBURG BOROUGH
ORDINANCE #2021-02**

**AN EMERGENCY ORDINANCE APPROVING A LOAN TO BE OBTAINED BY
PETERSBURG MEDICAL CENTER THROUGH THE SMALL BUSINESS ADMINISTRATION**

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 virus a pandemic, and declarations of a public health emergency have been issued by both the federal and state governments; and

WHEREAS, the Borough Assembly declared a Declaration of Local Disaster Emergency in Petersburg on March 16, 2020; and

WHEREAS, the pandemic is not yet contained, and the emergency declarations remain in effect; and

WHEREAS, numerous cases of COVID-19 within the State of Alaska continue to be identified, with 52 total cases attributed to Petersburg as of January 13, 2021; and

WHEREAS, this health crisis has significantly impacted Petersburg Medical Center (PMC), in that it has been required to expend substantial funds in response to the emergency, including purchasing additional supplies and materials, and it is simultaneously experiencing a significant decrease in expected revenues; and

WHEREAS, in April, 2020, pursuant to Ordinance #2020-12, PMC applied for and received \$1.8 million in funding through the Small Business Administration's (SBA) Paycheck Protection Program, a pandemic-related loan program designed to provide a direct incentive for businesses to keep their workers on the payroll and which included a loan forgiveness provision; and

WHEREAS, the funds received by PMC were expended in accordance with the Program's terms and conditions, and repayment of those funds by PMC has been forgiven by the SBA; and

WHEREAS, a new economic relief bill was passed by the U.S. Congress in December of 2020, which included an extension of the Paycheck Protection Program and an allocation of additional funding; and

WHEREAS, the terms and conditions of the extended Paycheck Protection Program terms remain substantially similar to those approved in the initial legislation, including the loan forgiveness; and

WHEREAS, PMC continues to incur a loss of revenue and a significant increase in operating expenses due to the impacts of the COVID-19 public health emergency, and if approved for a second Paycheck Protection Program loan, will use the funds to maintain payroll and to assist with utility payments during the continuation of the COVID-19 crisis; and

WHEREAS, the Hospital Board met in a special meeting on January 12, 2021 to approve PMC to apply for up to \$1.8 million dollars from the SBA Paycheck Protection Program; and

WHEREAS, Petersburg Municipal Code Section 3.50.080(F) mandates that Assembly

approval be secured in order for PMC to obtain a loan, line of credit or similar financing; and

WHEREAS, Borough Charter Section 3.03 provides for Emergency Ordinances that in the judgment of the Assembly are necessary for the immediate preservation of the public peace, health or safety; and

WHEREAS, an emergency exists as it is vital that PMC be able to apply quickly for the loan prior to available Program funds being exhausted, and there is insufficient time to follow ordinary ordinance adoption procedures in the existing time frame.

THEREFORE, BE IT ORDAINED by the Petersburg Borough Assembly, that the Petersburg Medical Center Hospital Board is hereby authorized to apply for and obtain a second loan under the SBA Payroll Protection Program, provided that the Board determines that the Center meets all eligibility requirements.

BE IT FURTHER ORDAINED, that pursuant to the provisions of Sections 13.01(D) and 13.03 of the Borough Charter, the total amount of the loan cannot exceed 25% of anticipated Petersburg Medical Center revenues for the current fiscal year, and the loan must be repaid in full by PMC prior to the end of the next fiscal year (June 30, 2022), unless repayment is forgiven.

Classification: This Emergency Ordinance is of a non-permanent nature and shall not be codified in the Petersburg Borough Code.

Effective Date: This Ordinance shall be effective immediately upon adoption.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this 19th day of January, 2021.

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Published:
Effective: