

Kenai Peninsula Borough Road Service Area

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Peter Micciche, Borough Mayor *PAM*
Brandi Harbaugh, Finance Director *BH*

FROM: Scott Griebel, Roads Director *SG*
John Hedges, Purchasing and Contracting Director *JH*

DATE: March 2, 2023

RE: Ordinance 2022-19- 53, Appropriating \$600,000 from the Road Service Area Capital Project Fund to Cover FY2022 Road Capital Improvement Projects that are Insufficiently Funded (Mayor).

During the 2022 construction season, several FY2022 projects in progress were insufficiently funded to level that is necessary for project completion. For expediency purposes, a decision was made to transfer funds to the underfunded projects from the three other FY2022 capital improvement projects (Duke Street, Poolside Avenue and Andrews Road; project codes: N2DUK, N3POL & W7AND). Following this process, an effort was never made to replace the borrowed funds. These three projects are now near design completion, with good engineering estimates provided.

It is apparent that the FY2022 CIP funding available is insufficient to support construction of these projects by the amount of \$600,000 and additional funds from the RSA capital project fund are required to support funding of said projects. The RSA capital fund balance provided to support the above will displace the standard CIP allocation for the FY2024 budget cycle. This will provide for adequate funding for queued projects, while preserving the stability of the account. Upon the completion of all FY2022 CIP projects, any remaining FY2022 CIP balance will be returned to the RSA Capital Project Fund.

Therefore, it is being requested that the amount of \$600,000 from the RSA Capital Project Fund fund balance be appropriated to the FY2022 CIP Project account to support subsequent construction bidding of the above outlined projects during the 2023 construction season.

Your consideration is appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.:	<u>434.27900</u>
Amount:	<u>\$600,000</u>
By: <i>CG</i>	Date: <u>3/1/2023</u>