

Kenai Peninsula Borough

Finance Department

MEMORANDUM

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

THRU: Peter A. Micciche, Mayor *PM*

FROM: Roy Browning, CES Chief *RB*
John Hedges, Purchasing and Contracting Director *JH*
Brandi Harbaugh, Finance Director *BH*

DATE: May 22, 2024

SUBJECT: Ordinance 2023-19-54, Appropriating Supplemental Funds from the Central Emergency Service Area Operating Fund to Provide for the Central Emergency Service Area Fire Station Project (Mayor)

On October 4, 2022, a majority of the qualified electors of the Borough's Central Emergency Service Area ("Service Area") voted in favor of authorizing the issuance of general obligation bonds of the Service Area, in an aggregate principal amount not to exceed \$16,500,000, to finance costs of planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping a replacement fire station, in the Service Area ("Proposition No. 3"), as authorized by Ordinance No. 2022-24 of the Borough, passed and approved by the Borough Assembly on July 5, 2022 (the "Election Ordinance").

As part of the design process third party estimates were provided at 35% and 65% design completion. Through the design development process, efforts were made to reduce the project scope as much as practical. Due to higher than projected costs associated with the project design and development, additional funds are needed.

Operational capacity, defined through the evaluation process, focused on a headquarters fire station that will combine logistics from three current facilities into a more effective and efficient centralized headquarters fire station. The operational capacity needs that were identified, coupled with increased costs of equipment, labor, shipping and inflation, increased project estimates and requires an increase in contingency funds needed for the project.

This Ordinance appropriates \$5,000,000 from the Central Emergency Service Area Operating Fund, to provide needed supplemental funds for the Central Emergency Service Area Fire Station Project.

Your consideration is appreciated.

FINANCE DEPARTMENT ACCOUNT/FUNDS VERIFIED	
Acct. No. <u>211.27900</u>	
Amount: <u>\$5,000,000</u>	
By: <i>CF</i>	Date: <u>5/21/2024</u>