

Kenai Peninsula Borough Purchasing & Contracting Department

MEMORANDUM

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

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*

FROM: John Hedges, Purchasing & Contracting Director *JH*

DATE: November 30, 2023

RE: Ordinance 2023-19- 30, Redirecting Previously Appropriated Bond Proceeds and Interest from the 2014 General Obligation School Bonds and Authorizing Distribution of Previously Appropriated State and Local Fiscal Recovery Funds to the Hope School Roof Replacement Project (Mayor)

This Ordinance redirects \$497,309.57 in unexpended proceeds and interest from the 2014 general obligation school bonds and authorizes distribution of State and Local Fiscal Recovery Grant funds for the Hope School roof replacement, a specific school-based critical infrastructure project.

Ordinance 2021-19-01 redirected \$1,295,252 in unexpended bond proceeds to Phase 1 of the Homer High Roof Replacement Project. That project has been completed and there remains \$497,309.57 in unexpended bond and interest funds. The administration is requesting that the unexpended bond proceeds and interest be appropriated/redirected to the Hope School roof project, including the building systems associated with the roof.

In addition, Ordinance 2022-19-13, provided that State and Local Fiscal Recovery Grant funds available through the America Rescue Plan Act (“ARPA funds”) distributed for specific school-based critical infrastructure projects may only be distributed upon separate Assembly approval for each project. ARPA funds in the amount of \$365,000 are available for distribution for specific school-based projects.

The Hope School roof and the buildings systems associated with the roof have reached the end of their useful life and are in need of repair and replacement.

In an effort to address this need, the Hope School roof replacement project was added to the 2023 Educational Bond that was approved by voters in October 2023. Many of the projects associated with that bond have been impacted by price escalation. Redirecting excess bond proceeds and authorizing distribution of these ARPA funds for this specific school-based critical infrastructure need would help to mitigate that price escalation impacts and complete the much needed work. All other priority projects identified for the use of these funds have been or are soon to be completed and are not anticipated to need any additional funds.

Your consideration is appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>400.78050.SLF07.49999</u>	Amount: <u>\$365,000.00</u>
Acct. No. <u>.22SCH.49999</u>	Amount: <u>\$497,309.57</u>
By: <u><i>CJ</i></u>	Date: <u>11/30/2023</u>