

Kenai Peninsula Borough

Finance Department

MEMORANDUM

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

THRU: Peter A. Micciche, Mayor *PM*

FROM: Brandi Harbaugh, Finance Director *BH*
Scott Griebel, Roads Director *BH*
Ben Hanson, IT Director *BH*
John Hedges, Purchasing & Contracting Director *JH*

DATE: October 26, 2023

RE: Ordinance 2023-19-26, Redirecting \$500,000 in U.S. Treasury State and Local Fiscal Recovery Funds from the Bridge Infrastructure Project to the Cybersecurity and Broadband Project and Expanding the Scope of Road Service Area Locally Funded Bridge Project (Mayor)

Ordinance 2022-19-13 directed \$225,000 in U.S. Treasury, Coronavirus State and Local Fiscal Recovery Funds Established by the American Rescue Plan Act (ARPA) for cybersecurity upgrades boroughwide and Ordinance 2021-19-28 directed \$500,000 to complete necessary pay-go critical Borough bridge infrastructure.

In development of the cybersecurity and broadband project, it was discovered that additional funds are needed to provide for better connectivity and broadband within and between Borough facilities.

The Road Service Area also has \$600,000 appropriated in the Road Service Area Capital Project Fund to address bridges that have increased maintenance cost due to poor conditions.

The \$500,000 in ARPA grant funds are only available until December 31, 2024. Due to short timeline for use of the ARPA funds, we are proposing to deobligate the ARPA funds to allow them to be spent on cybersecurity and broadband infrastructure within the grant’s allowable timeline.

We are also proposing to expand the scope of the current bridge capital project funds to allow for a study to fully identify bridge needs and their priority. It is the intent of the Road Service Area to utilize the study to determine targeted need, to develop a solution path for repair and maintenance of bridges within the borough, to target use of what remains of the RSA bridge funds and to support acquisition State of Alaska Capital Priority Funds, or other revenue paths.

Your consideration is appreciated.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Account:	<u>434.33950.SLF05.49999</u>
Amount:	<u>\$500,000</u>
By:	<u><i>CJ</i></u>
Date:	<u>10/26/2023</u>