

Kenai Peninsula Borough

Purchasing & Contracting Department

MEMORANDUM

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

THRU: Mike Navarre, Mayor *MN*

FROM: John Hedges, Purchasing & Contracting Director *JH*
Brandi Harbaugh, Finance Director *BH*

DATE: November 3, 2022

RE: Ordinance 2022-19-31, Appropriating \$1,625,000 from the General Fund to Provide Interim Funding for Preliminary Design and Development of the Bond Funded School Projects Authorized by Ballot Proposition 2 at the October 2022 Election (Mayor)

On October 4, 2022 the Kenai Peninsula Borough voters approved a ballot measure to sell an amount not to exceed \$65,550,000.00 in General Obligation Bonds (Educational Capital Improvements) to finance costs of numerous area-wide school projects in the Kenai Peninsula Borough, as set forth in Proposition No. 2.

The projects associated with the ballot measure are currently in a conceptual status. In order to ensure an effective approach to the design development of the projects slated for work in the 2023 and 2024 construction season, preliminary expenditures incident to the commencement of construction are necessary.

\$44 million of the authorized General Obligation Bonds (Educational Capital Improvements) are scheduled for sale in early 2023. It is the intent of the Borough to fund expenditures including design and development of the 2023 and 2024 projects through this initial bond sale. This appropriation would fund the preliminary expenditures with funds from the General Fund, with the intent of reimbursing the General Fund with proceeds from the bonds. .

The projects to be included in this effort will be Soldotna Elementary school replacement/ Soldotna Preparatory school renovation schematic phase, Seward High school track and field replacement, North Star Elementary school roof replacement, assessment and prioritization efforts for Student Drop-off improvements, and Kenai High School restroom and concession facility. Other educational capital improvement design development work may be pursued contingent upon available funding.

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The estimated total cost for the initial design development work is \$1,625,000.00.

For these reasons, it is in the best interests of Borough to appropriate \$1,625,000.00 from the General Fund to forward fund the work described.

Your consideration of the Ordinance is appreciated.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Account:	<u>100.27900</u>
Amount:	<u>\$1,625,000</u>
By: <i>cg</i>	Date: <u>11/2/2022</u>