

Kenai Peninsula Borough

North Peninsula Recreation Service Area

MEMORANDUM

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

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

FROM: Eric Eleton, NPRSA Director *EE*
John Hedges, Purchasing & Contracting Director *JH*

DATE: April 20, 2023

RE: Ordinance 2023-19-61, Appropriating Additional Funds from the North Peninsula Service Area Operating Fund for Upgrades to the Nikiski Pool Boiler System (Mayor)

During the FY23 budget process, the North Peninsula Recreation Service Area ("NPRSA") Board of Directors identified the need to replace the existing aging boilers at the Nikiski Pool. As such, NPRSA budgeted for replacing two boilers which would connect to the current system of pipes and pumps.

The NPRSA Board of Directors realizes the very importance of this project, and maintaining existing infrastructure. This is a top capital project priority for NPRSA. NPRSA has identified the need to upgrade the circulation pumps as they are starting to fail, the hot water system and the current pipe fittings as they not compatible with new boilers. These items were not considered as part of the original estimated project costs and will increase the cost of the project, requiring a supplemental appropriation of \$341,950. Due to the critical role the boiler system plays in the operations of the pool it is in the best interest of the North Peninsula Recreation Service Area and Kenai Peninsula Borough to have the boiler system replacement completed as soon as possible.

The original FY23 project was budgeted for \$475,000, an additional \$341,950 is need to complete the project to bring the entire system up-to-date.

Funding is available and is proposed to be transferred from the NPRSA Operating Fund.

Your consideration is appreciated

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>225.27910</u>	Amount: <u>\$341,950</u>
By: <u><i>Cg</i></u>	Date: <u>4/20/2023</u>