

## MEMORANDUM

**TO:** Grace Merkes, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** John J. Williams, Mayor  
Craig Chapman, Finance Director

**FROM:** Kevin Lyon, Major Projects Director

**DATE:** April 24, 2008

**SUBJECT:** Ordinance 2007-19-48, an Ordinance Redirecting \$32,549 of Previously Appropriated Bond Proceeds from the 2003 General Obligation Bonds and Appropriating \$791,976 of Interest Income To Fund School Capital Improvement Projects

Kenai Peninsula Borough Ordinance 2003-19-03 appropriated \$14,700,000 in General Obligation bonds to pay the costs associated with the design and construction of the Seward Middle School and demolition of the old middle school. The total cost of the school, including site development, construction and demolition of the old middle school, was \$14,654,475, leaving an estimated \$32,549 of previously appropriated funds and \$791,966 of unappropriated interest income. This was earned through investment of the bond funds and is available to fund other school capital improvement projects.

The Nikolaevsk School roof project was initially funded by two assembly appropriations, one in the FY 05 budget for \$275,000 and one in the FY 07 budget for \$400,000. This project was also included in Proposition 1 that passed on October 3, 2006, providing for Department of Education and Early Development reimbursement. The Nikolaevsk reroof/soffit replacement project was bid in 2007. Due to the cost of the structural upgrades needed to withstand the snow load in the elementary wing of the building, it was not possible to complete the high school wing at that time. It is estimated that with the addition of \$32,549 of previously appropriated but unexpended bond funds and \$248,976 of bond interest earning, totaling \$281,525, the high school wing roofing project can be completed during the upcoming construction season.

The Soldotna Elementary Roof Section 400 project has been funded by two DCCED Grants (06-DC-199) \$100,000 and (08-DC-309) \$75,000, for a total of \$175,000. The estimated amount to complete the required work is \$305,000, requiring an additional \$130,000 to be appropriated. With the required funding in place, the project is scheduled for this constructions season with completion prior to the 2009 school year.

The Seward Playfield Complex project consists of upgrading the playfields for use by both the middle school and the high school students. This upgrade will continue following the campus master plan that was identified in the education specifications for the new Seward Middle School. The goal is to reduce the number of vehicle student interaction points, thus reducing the potential for injury. The playfields are in need of improvement to provide a better playing surface by upgrading both soil and sod to reduce potential athlete injury. This upgrade will include safe bleachers.

New playfield needs were identified and included in the Seward Middle School project, but additional property was unpractical to acquire and would have increased the maintenance cost to maintain. This project will utilize the interest income generated to upgrade the existing facilities instead for safe usage and maximum occupancy. Improvements include water and sewer work at the Booster Club trailer, topsoil, and sod repairs on the playfield and the installation of outdoor bleachers.

This ordinance would appropriate the interest income to support expenditures associated with these three projects. Hearing on shortened time is requested in order to complete these projects during the 2008 construction season.