

MEMORANDUM

TO: Grace Merkes, Assembly President
Members of the Kenai Peninsula Borough Assembly

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

FROM: Bonnie L. Golden, Grants Manager

DATE: June 5, 2008

SUBJECT: Ordinance No. 2007-19-53: Appropriating \$8,000 in interest income from the Spruce Bark Beetle Program to complete construction of a fire station for Moose Pass Volunteer Fire Company

Since 1998, Congress has appropriated almost \$15 million to the Kenai Peninsula Borough for wildland fire mitigation, hazardous tree removal, and other projects designed to minimize the devastation caused by the spruce bark beetle. Interest income on those funds is unrestricted. The Borough currently holds approximately \$350,000 in such interest earnings that are unappropriated. Ordinance 2007-19-51, scheduled for public hearing on June 17, will appropriate \$25,000 from the interest earnings to Cooper Landing Emergency Services, if enacted.

In 2002 the Borough appropriated \$100,000 to the Moose Pass Volunteer Fire Company ("MPVFC") as follows: Ordinance 2002-19-02 provided \$25,000 from a U.S. Forest Service Grant; ordinance 2002-32 provided \$75,000 from Spruce Bark Beetle Program interest income. Allowable expenditures for these funds included firefighting-related construction and equipment purchases.

MPVFC is a small fire department and has limited resources to devote to a large construction project. Since 2002, they have been building a satellite fire station on MPVFC property located near the "Y" of the Seward and Sterling Highways. Construction was recently completed. Unfortunately, there were cost overruns for the project, primarily due to personnel changes and miscommunications. An additional appropriation of \$8,000 will enable MPVFC to pay its contractors for costs already incurred.

A shortened hearing date of July 8, 2008, is requested in order to provide funding to MPVFC as soon as possible. The \$8,000, if appropriated, will pay vendors for work already completed on the project.

The satellite fire station will support MPVFC's ability to respond to fire and related issues stemming from the spruce bark beetle infestation, as well as providing other emergency responses in the area it serves. Your consideration of the attached ordinance is appreciated.

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Attachment – Ordinance

FINANCE DEPARTMENT - FUNDS VERIFIED	
AMOUNT: \$8,000	
Account: 262.27910 Environmental Protection Fund	
By: _____	Date: _____