

**SUBJECT:** REAPPROPRIATE \$1,732,505 FROM THE VALLEY PATHWAYS SCHOOL CAPITAL PROJECT 40188, FUND 400 TO THE PALMER HIGH SCHOOL RENOVATION CAPITAL PROJECT 40181, FUND 400 AND TO AMEND SCOPE OF WORK AND BUDGET.

**AGENDA OF: December 5, 2017**

**ASSEMBLY ACTION:**  
*OR 17-153 & - Public Hearing held & Adopted w/o objection @ 12/19 RM*

**MANAGER RECOMMENDATION:** Introduce and set for public hearing.

**APPROVED** *for* BY John Moosey, BOROUGH MANAGER *George Moosey*

Route To:	Department/Individual	Initials	Remarks
1	Originator: Fin. Secretary	<i>LF</i>	
3	Finance Director	<i>CF</i>	
4	Borough Attorney	<i>M. N.S.</i>	<i>BOND Counsel has approved this.</i>
5	Borough Clerk	<i>JRM</i>	<i>11/27/17</i>

**ATTACHMENT (S) :** Fiscal Note: Yes X No       
 Ordinance Serial No. 17-153 (pp 2)  
 Letter from MSB Finance requesting Amendment of DR 12-115 and DR 12-108  
 Letter from DEED initiating redirection of bond proceeds and scope of work.  
 DEED Project Closeout Worksheet for DR 12-115  
 Borough Executed DEED DR-12-115 and DR 12-108 Amendments.

**SUMMARY STATEMENT:**

In 2013, General Obligation Bonds were issued for the Valley Pathways School and Palmer High School Renovation projects.

The Valley Pathways School project is complete with no open contracts and has been closed in accordance with the Department of Education and Early Development (DEED) Agreement DR 12-115. A balance of \$1,732,505 remains in the project account.

On October 16, 2017, the Borough executed DEED Agreements DR 12-115, Amendment 2 and DR 12-108, Amendment 3 and is awaiting countersignature from DEED. This will finalize the Boroughs request to redirect the remaining funds from the closed Valley

Pathways School capital project 40188 to the Palmer High School Renovation capital project 40181, per 4 AAC 31.064. Bond Counsel has been consulted and concurs with this request.

**RECOMMENDATION OF ADMINISTRATION:** Approve the attached ordinance, to reappropriate \$1,732,505 from the Valley Pathways School capital project 40188, fund 400 to the Palmer High School Renovation capital project 40181, fund 400 pending final execution of DEED Agreement DR 12-115, Amendment 2 and DR 12-108, Amendment 3.

MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE

Agenda Date: December 5, 2017

SUBJECT: Reappropriate \$1,732,505 from the Valley Pathways School addition capital project 40188, fund 400 to the Palmer High School Renovation capital project 40181, fund 400 and to fund amended scope of work.

ORIGINATOR: Cheyenne Heindel

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>1,732,505</u>	FUNDING SOURCE <u>Bonds</u>
FROM ACCOUNT # <u>400.000.000 4xx.xxx</u>	PROJECT # <u>40188</u>
TO ACCOUNT : <u>400.000.000 3xx.xxx</u>	PROJECT # <u>40181</u>
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>11-21-17</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	<u>1,732.5</u>		
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REVENUE			
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	<u>1,732.5</u>					
TOTAL	<u>1,732.5</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_  
 DEPARTMENT: Cheyenne Heindel DATE: \_\_\_\_\_  
 APPROVED BY: [Signature] DATE: 11/21/17



## MATANUSKA-SUSITNA BOROUGH

### Director of Finance

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8629 • Fax 861-8592

www.matsugov.us

October 2, 2017

Tim Mearig, Facilities Manager  
State of Alaska, Department of Education and Early Development (DEED)  
801 West 10<sup>th</sup> Street, Suite 200  
PO Box 110500  
Juneau, Alaska 99801-0500

RE: Palmer High School Renovation – Project # DR 12-108, Budget Amendment No. 3 Revised

Dear Mr. Mearig,

On Apr 5 2017, you responded via email to our BA 3 request with the following for our consideration:

1. CM by Consultant - increased as requested by \$45,000.
2. Site Investigation – \$21,000 moved from District Admin to cover expenditures shown in FY16 Annual Report.
3. Design - \$35,000 moved from District Admin to allow for new PDC award of non-CM fee based on FY16 Annual Report.
4. Construction – increased \$2M+ but not the full amount as requested; estimate only preliminary.
5. District Admin - \$56K moved out; FY16 Annual Report showed \$200K balance.
6. Contingency - \$500K in redirected funds reserved in Contingency for 95% estimate.

We have since received the 100% cost estimate and would like to revise our request based on, the updated cost estimate, budget adjustments since April and your recommendations as follows:

1. CM by Consultant – increase \$28,449 from 12-115 PC.
2. Site Investigation – No action
3. Design – increase \$21,000 from District Admin to cover shortfall.
4. Construction – increase \$1,504,056 from 12-115 (\$1,283,744 Const and \$220,312 PC)
5. District Admin - \$21K moved into Design.
6. Contingency – Increase \$48,551.62 from Equipment and \$200,000 from 12-115 PC.
7. Equipment – Move balance of \$48,551.62 into PC.

Per 4 AAC 31.064 we request a transfer of \$28,449 into CM, \$1,504,056 into Construction and \$200K into Contingency for a total of \$1,732,505 into DR-12-108 from the Valley Pathways

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*

IM 17-211  
OR 17-153  
RS 17-085

School Project Agreement DR-12-115. The Valley Pathways School is complete with no open contracts.

The construction estimate is included for your review.

This fund transfer will not generate a new project but will facilitate completion of an existing project under DR-12-108. Upon DEED approval, legislation will be presented to the assembly for approval.

Bond Counsel has been consulted and concurs with this request.

Time is of the essence for work to be accomplished over the 2018 summer break.

If you have any questions, please feel free to contact myself or the Lead Project Manager, Jeff Walden at (907) 861-7710.

Sincerely,



Cheyenne Heindel  
Director of Finance

cc: Jude Bilafer, Capital Projects Director  
Jeff Walden, Lead Project Manager

## Project Closeout Worksheet



School District: Matanuska Susitna Borough  
 School Name: Valley Pathways School  
 Project Name: Valley Pathways School  
 Project Number: EED Debt #12-115  
 Approved Principal Amount: \$20,432,495  
 Other Funds: \$0  
 Project Total: \$20,432,495

From Appendix A of Project Agreement

Cost Category	Vendor	Actual Expense	Budget
List each vendor separately			
Consulting CM	McCool Carlson Green	\$ 247,111.00	357,381.00
	Misc.	\$ 160.00	
Land			
Site Investigation			
Design Services	McCool Carlson Green	\$ 714,629.00	714,762.00
	Advertising	\$ 133.00	
Construction	Digital Blueprint Inc.	\$ 702.00	16,235,310.00
	Enstar Natural Gas	\$ 117,635.00	
	E&D Water Wells	\$ 20,240.00	
	Zerbetz Evon	\$ 932.00	
	Collins Construction	\$ 16,055,185.00	
	City of Palmer	\$ 100.00	
	Knox Co	\$ 375.00	
	Advertising and misc.	\$ 1,294.00	
	Matanuska Electric	\$ 10,742.00	
	Door Systems of AK	\$ 7,348.00	
State of AK	\$ 20,756.00		
Equipment / Technology	Paid to MSBSD	\$ 1,297,023.00	1,429,524.00
District Administrative Overhead / In-House CM	Robert Scott	\$ 236,732.00	1,072,135.00
Art	State of AK	\$ 466.00	178,691.00
	Holly Gittlein LLC	\$ 35,738.00	
	Sara Tabbert	\$ 35,737.00	
	Brightstone Design	\$ 35,738.00	
	Extreme Dreams	\$ 35,738.00	
	Zerbetz Evon	\$ 34,807.00	
Contingency			444,692.00
<b>Project Total</b>		<b>\$ 18,909,321.00</b>	<b>\$ 20,432,495.00</b>

This is to certify that for the purposes of compliance with a debt reimbursement allocation in the amount of

*IM 17-211*  
*DR 17-153*  
*RS 17-085*





THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Education  
& Early Development

SCHOOL FINANCE & FACILITIES

801 West 10th Street, Suite 200  
P.O. Box 110500  
Juneau, Alaska 99811-0500  
Main: 907.465.6470  
Fax: 907.463.5279  
Kimberly.Crawford@alaska.gov

October 16, 2017

Cheyenne Heindel, Director of Finance  
Matanuska-Susitna Borough  
350 East Dahlia Avenue  
Palmer, Alaska 99645

Re: DR-12-108; Palmer High School Renovation – Amendment 3  
DR-12-115; Valley Pathways School – Amendment 2

Dear Ms. Heindel:

Enclosed please find two copies of Amendment #3 for the Palmer High School Renovation project and two copies of Amendment #2 for the Valley Pathways School project (DR-12-115). These amendments reflect redirection of funds from DR-12-115 in the amount of \$1,732,505 to accommodate the approved additional work consisting of Alternates 1,2,4,8,9, and 10 from bid #14-064B, based on the finalized 100% cost estimate.

Although this redirection is approvable under the provisions of 4 AAC 31.064 with the documents submitted to date, past communication has indicated that additional project close-out actions would be required—specifically, documentation related to financial closeout. We would like to use this opportunity to extend a further request that we move to full closeout and termination of DR-12-115 prior to full execution of these amendments. Just to show how within easy reach that milestone is, I have attached a copy of Appendix C of the agreement with the open deliverables highlighted. I want to also note that clauses 9 and 12 of the agreement, if followed, would have met the termination milestone on October 29, 2015.

We trust this plan will meet with your approval. Please sign and return both copies of all documents to the department for final execution. Fully executed Amendments will be returned for your records upon termination of the Valley Pathways School project.

Please let me know if you have any questions. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly Crawford".

Kimberly Crawford, School Finance Specialist II  
Facilities

Enclosures

cc: Tim Mearig, DEED Facilities Manager  
Jude Bilafer, Capital Projects Director  
Jeff Walden, Lead Project Manager

IM 17-211  
OR 17-153  
RS 17-085

# Alaska Department of Education & Early Development

## Amendment No. 3 to the Project Agreement *Appendix A - Scope & Budget*

1. **Project Scope of Work:** *(Use additional pages if necessary)*  
*Eligible Additional Gross Square Footage: none; 4 AAC 31.020(e)*

This project will renovate the Palmer High School, updating several building systems to current codes, and improve the overall energy efficiency of and other environmental improvements to the school. The work on this project includes, but is not strictly limited to the following work tasks:

- Heating system
- Ventilation
- Plumbing
- Mechanical controls
- Fire sprinkler system
- Energy efficiencies

*Scope approved as additional work including Alternates 1, 2, 4, 8, 9 and 10 from BID #14-064B.*

This project is approved at the 70% reimbursement rate, and does not add or replace space.

2. **The Recipient further agrees to comply with the following additional conditions:**  
 The District acknowledges the Municipality or Borough may assume any or all of the responsibilities of this grant. (AS 14.14.060)

3. **Project Funds - Palmer High School Renovation**  
 AS 14.11.100(o)

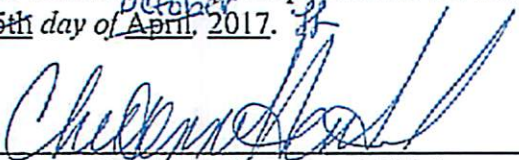
	Current Budget	Change This Amendment	Revised Funding Source Total
Approved Principal Amount:	\$5,500,000	\$0	\$5,500,000
Redirection from DR-12-115		\$1,732,505	\$1,732,505
Other Funds:	\$0	\$0	\$0
<b>Project Total</b>	<b>\$5,500,000</b>	<b>\$1,732,505</b>	<b>\$7,232,505</b>

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OR 17-153  
RS 17-085*

4. Project Budget

Cost Category	Current Budget	Change This Amendment	% of Const.	Revised Total Project Budget
1. CM (by consultant)	\$88,804	\$28,449	1.90%	\$117,253
2. Land	\$0	\$0	N/A	\$0
3. Site Investigation	\$38,500	\$0	N/A	\$38,500
4. Design Services	\$355,218	\$21,000	6.10%	\$376,218
5. Construction	\$4,662,261	\$1,504,056	100.00%	\$6,166,317
6. Equipment	\$88,804	(\$48,551)	0.65%	\$40,253
7. District Administrative Overhead	\$266,413	(\$21,000)	3.98%	\$245,413
8. Percent for Art	\$0	\$0	0.00%	\$0
9. Project Contingency	\$0	\$248,551	4.03%	\$248,551
<b>Totals</b>	<b>\$5,500,000</b>	<b>\$1,732,505</b>	<b>116.67%</b>	<b>\$7,232,505</b>

In witness whereof, the parties hereto have executed this Amendment to the Contract as of the ~~16<sup>th</sup>~~<sup>15<sup>th</sup></sup> day of ~~April~~<sup>October</sup>, 2017. ~~21~~<sup>22</sup>

  
 \_\_\_\_\_  
 Recipient (Name and Title)  
 Finance Director

Department of Education & Early Development

DEED Initials 

IM 17-211  
 OR 17-153  
 RS 17-085

# Alaska Department of Education & Early Development

## Amendment No. 2 to the Project Agreement *Appendix A - Budget*

### 2. Project Funds - Valley Pathways School

AS 14.11.100(a)(16)

	Current Budget	Change This Amendment	Revised Funding Source Total
Approved Principal Amount:	\$22,515,000	\$0	\$22,515,000
Redirected to DR-12-123:	-\$350,000	\$0	-\$350,000
Redirected to DR-12-108:	\$0	-\$1,732,505	-\$1,732,505
<b>Project Total</b>	<b>\$22,165,000</b>	<b>-\$1,732,505</b>	<b>\$20,432,495</b>

### 3. Project Budget

Cost Category	Current Budget	Change This Amendment	% of Const.	Revised Total Project Budget
1. CM (by consultant)	\$357,381	\$0	2.20%	\$357,381
2. Land	\$0	\$0	N/A	\$0
3. Site Investigation	\$0	\$0	N/A	\$0
4. Design Services	\$714,762	\$0	4.40%	\$714,762
5. Construction	\$17,519,054	(\$1,283,744)	100.00%	\$16,235,310
6. Equipment	\$1,429,524	\$0	8.81%	\$1,429,524
7. District Administrative Overhead	\$1,072,135	\$0	6.60%	\$1,072,135
8. Percent for Art	\$178,691	\$0	1.10%	\$178,691
9. Project Contingency	\$893,453	(\$448,761)	2.74%	\$444,692
<b>Totals</b>	<b>\$22,165,000</b>	<b>-\$1,732,505</b>	<b>125.85%</b>	<b>\$20,432,495</b>

In witness whereof, the parties hereto have executed this Amendment to the Contract as of the

16th <sup>30th</sup> day of <sup>February</sup> ~~June~~, 2016 <sup>2017</sup> ~~2016~~

*Cherene Deuel*

Recipient (Name and Title)

*Finance Director*

Department of Education & Early Development

EED Initials *DC*

1M 17-211  
OR 17-153  
RS 17-085

## Project Agreement Submittal Checklist

Submittal Item (as applicable)	Received	Approved	Agency	Review Only	Review & Approval
1. Annual Report (Due October 15)	X		DEED	X	
2. Site Selection Report - <i>Geotech Report received</i>	X	X	DEED		X
3. Educational Specifications	X		DEED	X	
4. A/E Services Agreement	X		DEED	X	
5. Schematic Design Documents	X	X	DEED		X
6. Design Development Documents <i>(submittal waived-Su Valley Prototype)</i>	X	X	DEED		X
7. Energy Consumption and Cost Report	X		DEED	X	
8. Construction Documents	X		DEED	X	
9. Bid Documents	X		DEED	X	
10. Building Permit	X	X	DEED		X
11. Bid Tabulation	X		DEED	X	
12. Construction Contract	X		DEED	X	
13. Contractor's Payment/Performance Bond <i>(located in construction contract)</i>	X	X	DEED		X
14. Substantial Completion Certificate/ Occupancy Permit	X	X	DEED (DEC)		X
15. Release of Liens	X	X	DEED		X
16. Change Order Log	X	X	DEED		X
17. Release from Contract	X	X	DPS		X
18. Preventive Maintenance and Facility Management Documents		CCP / R&R Recv.	DEED	X	
19. Recorded Building Title			DEED	X	
20. Final Project Accounting			DEED	X	
21. Corporate Income Tax Clearance	X		DEED	X	
22. Unemployment Security Tax Clearance	X		DEED	X	
23. Notice of completion of public works	X		DEED	X	

PM documents are as follows:

1. Updated Renewal and Replacement Schedule (we have a copy of the R&R schedule on file)
2. PM Component list
3. PM Schedule
4. PM Training, what training was provided throughout the project? Did Collins Construction, Inc. provide staff with training on the new building? We will need either a certificate(s) or a training log.
5. Custodial Care Plan (we have a copy of the plan on file)