

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ALLOCATING AN ADDITIONAL \$8,140,000.00 IN AMERICAN RESCUE PLAN FUNDING FOR THE PURCHASE AND INSTALLATION OF A RESTROOM WITH WATER AND SEWER CONNECTIONS AND LANDFILL IMPROVEMENTS AND AMENDING THE SCOPE OF WORK.

AGENDA OF: SEPTEMBER 6, 2022

Assembly Action:

Adopted without objection 9-6-22

(BON)

MANAGER RECOMMENDATION: Present to the Assembly for consideration.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER:

WBS

Route To:	Department/Individual	Initials	Remarks
	Originator - P. Graham	PG	
	Finance Director	CF	
	Borough Attorney	J. N. S.	
	Borough Clerk	J. M. 8/30/22	(BON)

ATTACHMENT (S) : Fiscal Note: YES ☒ NO ☐
Amended Spending Plan descriptions (3 pp)
Resolution Serial No. 22-074 (1 pp)

SUMMARY STATEMENT:

In May 2021 the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery the American Rescue Plan Act of 2021 was designed to deliver \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments.

The Matanuska-Susitna Borough will be receiving a total allocation of \$21,039,307 in two parts, 50% in May 2021 and the remaining 50% in May 2022. Since the funding will be received in two parts, each part will be accepted and appropriated separately to ensure proper tracking on expenditures for reporting and audit purposes.

The Borough Attorney and Finance Director reviewed all the allowable and unallowable uses for the funding and worked with staff to develop a spending plan for the initial installment.

On August 3, 2021, the Assembly adopted Ordinance Serial Number 21-073 and its accompanying Resolution Serial Number 21-075, and Informational Memorandum Serial Number 21-145, accepting the grant funding and approving the initial spending plan.

On February 15, 2022, the Assembly adopted Resolution Serial No. 22-023 and its accompanying Informational Memorandum Serial No. 22-042, approving a second allocation of \$1,119,673.00 for the purchase of Heavy Equipment for the Solid Waste Division.

On June 21, 2022, the Assembly adopted Ordinance Serial No. 22-079, and its accompanying Resolution Serial No. 22-061, and Informational Memorandum Serial No. 22-142, accepting the second installment of \$10,519,653.50.

This legislation will approve the allocation of an additional \$8,140,000.00 for a multi-user flushing restroom, and Water System Infrastructure improvements in Talkeetna. This allocation will also complete the Landfill Entrance Improvements, Landfill Development, and design and permitting for the Leachate Evaporation projects. A full description is included, beginning on page 2, of the attached spending plan:

Initial Allocation 8/3/2021	\$ 5,140,351.00
Allocation # 2 2/15/2022	\$ 1,119,673.00
THIS allocation (#3)	\$ 8,140,000.00
Reallocation unexpended funding	-\$ 29,355.74
TOTAL allocations	\$14,370,668.26
Total grant funding received	\$21,039,307.00
Balance for future allocation	\$ 6,668,638.74

As part of the initial Spending Plan, the Assembly allocated \$100,000.00 to the Willow Cabin Well and Septic Project. This project was completed under the estimated cost for a total of \$70,644.26. The remaining balance of \$29,355.74 will be redistributed for future allocations. Of the \$21,039,307.00 in total grant funding received this legislation will bring our total allocations to \$14,370,668.26 leaving a balance of \$6,668,638.74 available.

RECOMMENDATION OF ADMINISTRATION: Approve the legislation as presented.

MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: September 6, 2022

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ORIGINATOR: Pamela Graham, Grants Coordinator

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED \$8,140.00	FUNDING SOURCE ARPA Funds
FROM ACCOUNT # 475.00.00 444444	PROJECT 47534
TO ACCOUNT : 475.00.00 444444	PROJECT # 47534
VERIFIED BY: Kent Winkler	CERTIFIED BY:
DATE: 8-24-22	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds			8,140.00			
Other						
TOTAL			8,140.00			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

APPROVED BY:

DATE:

APPROVED BY THE ASSEMBLY:**Approved/Actual**

1. Revenue Recovery Bed Tax Losses \$1,032,350/***\$1,032,350***

The COVID-19 pandemic caused a significant loss in Bed Tax Revenues. In Fiscal Year 2019 the revenues collected were \$1,428,373 and from fiscal year 2017 through 2019 the Borough saw an average increase in revenues of 8.9%. The actual amount collected from January 1 – December 31, 2020 was \$590,006. The Borough utilized its average growth of 8.9% to calculate lost revenues as it exceeded the assumed growth of 4.1%. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

2. Revenue Recovery Talkeetna Sewer and Water Sales Tax \$756,926/***\$756,926***

The COVID-19 pandemic caused a significant loss in Talkeetna Sewer and Water Sales Tax Revenues. In Fiscal Year 2019 the revenues collected were \$1,083,732. Since this was a new tax in fiscal year 2018 the average growth was 562.5%. Because of the lack of historical data, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$394,134. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

3. Revenue Recovery Pool Fee Losses \$531,129/***\$531,129***

The COVID-19 pandemic caused a significant loss in Pool Fee Revenues due to facility closures. In Fiscal Year 2019 the revenues collected were \$376,677. Since both pools had seen closures due to major renovations during fiscal years 2018 and 2019 historical revenues were skewed, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$204,873. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

4. Revenue Recovery Ice Arena Fee Losses \$90,677/***\$90,677***

The COVID-19 pandemic caused a significant loss in Ice Arena Fee Revenues due to facility closures. In Fiscal Year 2019 the revenues collected were \$426,430. Since the Ice Arena had seen a closure due to major renovations during fiscal years 2018 historical revenues were skewed, the Borough is utilizing the assumed growth of 4.1%. The actual amount collected from January 1 – December 31, 2020 was \$362,245. Based upon the calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

5. Revenue Recovery Borough Gym Rental Revenue Losses \$36,661/***\$36,661***

The COVID-19 pandemic caused a significant loss in Borough Gym Rental Revenues due to facility closure. In Fiscal Year 2019 the revenues collected were \$32,100 and from fiscal year 2017 through 2019 the Borough saw an average increase in revenues of 9.3%. The actual amount collected from January 1 – December 31, 2020 was \$0. The Borough utilized its average growth of 9.3% to calculate lost revenues as it exceeded the assumed growth of 4.1%. Based upon the

calculator for lost revenue provided by the State of Alaska, the borough can apply for the amount above.

6. Big Lake, Butte and Snowshoe Elementary
Water System Replacements \$2,592,608/*Pending*

The COVID-19 pandemic emphasized the importance of water and sewer systems. The Big Lake Elementary Water System has failed and been repaired multiple times. It needs funding to complete repairs to bring the system into safe full operations. Butte and Snowshoe Elementary water systems are experiencing similar issues. The amount above reflects to cost to improve the systems.

7. Willow Cabin Well and Septic \$100,000/*\$70,644.26*

The Willow Log Cabin restoration is an ongoing project to refurbish the Cabin for use as a cultural preservation center, museum, and make it useable and open to the public. In addition to preserving local history and being available for meeting space, the refurbished building is intended to be a point for tourists. A well and septic systems is needed for visitors, patrons, and tourists.

8. Equipment - Central Landfill \$1,119,673/*Pending*

The Solid Waste Division of the Public Works Department is in need of an Excavator and a Waste Shredder for the development of a first of its kinds tire reuse and recycling program that will save the landfill approximately \$2,700,000.00 over ten years. The program is eligible for a clean water loan, and therefore is an eligible use of the American Rescue plan funding.

PENDING ASSEMBLY APPROVAL - September 2022

9. Talkeetna Multi-User Flush Restroom \$350,000

Remove and replace existing restroom facility with a precast concrete building providing multi-user flush capability. New facility shall be connected to existing water and sanitary sewer system, as well as power and heat.

10. Central Landfill Entrance Improvements \$4,000,000

This project will completed entrance improvements including tipping facility, earthwork, scales and scale house.

11. Central Landfill Development/Excavation \$2,040,000

This project will complete the excavation of the Construction and Demolition (C&D) cell and the Municipal Solid Waste (MSW) Cell 5; and continue exploring options for reducing excavation costs such as production of road traction material or commercial sale of gravel as new contract process.

12. Central Landfill Leachate Management \$600,000

This project will develop a leachate evaporation system for the landfill, funding will cover the Design and Permitting portion of the project.

13. Talkeetna Water System Infrastructure Improvements \$1,150,000

Talkeetna water system serves over 200 customer accounts. The source of the drinking water is an aquifer that is tapped by two 160' deep groundwater wells. The source groundwater has high concentrations of arsenic and manganese. The pump house has issues during peak demand and may be unable to sustain domestic service during emergency response. These funds will be used to help improve the public water system infrastructure, including replacement and extension of transmission and distribution pipe, new source water well, installation of a water storage tank, and upgrade of facilities to improve drinking water quality.