

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ALLOCATING AN ADDITIONAL \$1,119,673.00 IN AMERICAN RESCUE PLAN FUNDING FOR THE PURCHASE OF HEAVY EQUIPMENT FOR THE SOLID WASTE DIVISION AND AMENDING THE SCOPE OF WORK.

AGENDA OF: February 15, 2022

Assembly Action:
Adopted with Tew opposed
2-15-22 (BSP)

MANAGER RECOMMENDATION: Present to the Assembly for consideration.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: *MB*

Route To:	Department/Individual	Initials	Remarks
	Originator - P. Graham	<i>PG</i>	
	Finance Director	<i>[Signature]</i>	
	Borough Attorney	<i>[Signature]</i>	
	Borough Clerk	<i>MB 2/7/22</i>	

ATTACHMENT (S) : Fiscal Note: YES X NO _____
 Amended Spending Plan descriptions (3 pp)
 Resolution Serial No. 22-023 (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.

This legislation will allocated an additional \$1,119,673.00 for the purchase of Heavy Equipment for the Solid Waste Division.

Of the \$10,519,653.50 in initial grant funding received this legislation will bring our total allocation to \$6,260,024.00 leaving a balance of \$4,259,629.50 available. The second installment should arrive in June 2022 and legislation accepting the additional funding will come forward in May 2022.

Initial Allocation 8/3/2021	\$5,140,351.00
This Allocation 2/15/2022	\$1,119,673.00
TOTAL allocations	\$6,260,024.00
Total Initial grant funding	\$10,519,653.50
Balance to be Allocated	\$4,259,629.50

RECOMMENDATION OF ADMINISTRATION: Approve the legislation as presented.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: February 15, 2022

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ALLOCATING AN ADDITIONAL \$1,119,673.00 IN AMERICAN RESCUE PLAN FUNDING FOR THE PURCHASE OF HEAVY EQUIPMENT FOR THE SOLID WASTE DIVISION AND AMENDING THE SCOPE OF WORK.

ORIGINATOR: Pamela Graham, Grants Coordinator

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED \$1,119,673	FUNDING SOURCE ARPA Funds
FROM ACCOUNT # 475.00.00 xxx.xxx	PROJECT 47534
TO ACCOUNT :	PROJECT #
VERIFIED BY: Yvonne Welton	CERTIFIED BY:
DATE: 2-3-22	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		1,119.7				
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
State/Federal Funds		1,119.7				
Other						
TOTAL		1,119.7				

POSITIONS:

Full-Time	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: _____ DATE: _____
 APPROVED BY: *Cherene Dorell* DATE: *2/3/2022*

1. Revenue Recovery Bed Tax Losses \$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

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

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

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

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

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

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

The Central Landfill 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.

American Rescue Plan Act
 Spending Plan July 1, 2021 through December 31, 2024

Revenue Recovery:

Bed Tax	\$1,032,350.00	
Talkeetna Sewer & Water Sales Tax	\$756,926.00	
Pool Fees	\$531,129.00	
Ice Arena Fees	\$90,677.00	
Borough Gym Rental Fees	\$36,661.00	
Total Lost Revenue Replacement		\$2,447,743.00

Capital Projects:

Big Lake Elementary School Water System Replacment	\$875,000.00	
Butte & Snowshoe Elementary Schools Water System Replacement	\$1,717,608.00	
Talkeetna Sewer & Water System Upgrades		
Willow Cabin Well and Septic	\$100,000.00	
Total Capital		\$2,692,608.00

Equipment:

CAT 323 Excavator	\$337,398.00	
Waste Shredder	\$782,275.00	
Total Equipment		\$1,119,673.00

TOTAL \$6,260,024.00

Initial Allocation	\$5,140,351.00
Allocation 2	\$1,119,673.00
TOTAL allocations	\$6,260,024.00
Total round 1 grant funding	\$10,519,653.50
Balance to be Allocated	\$4,259,629.50

*IM 22-042
 RS 22-023*