

SUBJECT: ACCEPTING, AND APPROPRIATING A PORTION OF THE 2018 COOK INLET EARTHQUAKE DISASTER RELIEF MONIES, IN THE AMOUNT OF \$18,371,035.57 (\$13,778,276.68 FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), AND \$4,592,758.89 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT (DHS&EM) FOR THE HOUSTON MIDDLE SCHOOL REBUILD, AND REAPPROPRIATING \$11,900,000.00 BACK TO THE SCHOOL DISTRICT, \$1,725,446 TO SCHOOL BOND DEBT SERVICE, AND \$890,521 TO THE SCHOOL SITE SELECTION RESERVES, AND RE-SCOPING \$1,500,000.00 TO THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT FROM THE HOUSTON MIDDLE SCHOOL REBUILD PROJECT; AND APPROVING THE SCOPE OF WORK AND AMENDED BUDGET FOR THE HOUSTON MIDDLE SCHOOL REBUILD AND THE SCOPE OF WORK AND BUDGET FOR THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT.






AGENDA OF: January 4, 2022

ASSEMBLY ACTION:

Adopted Without Objection 1-18-22
BOM

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: WB

Route To:	Department/Individual	Initials	Remarks
	Originator- P. Graham		
	Public Works Director		
	Finance Director		
	Borough Attorney		
	Borough Clerk	BS 122321	

ATTACHMENT (S): Fiscal Note: YES X NO _____
Ordinance Serial No. 22-009 (2 pp)
Resolution Serial No. 22-005 (3 pp)

SUMMARY STATEMENT: This legislation will accept the Federal Emergency Management Agency (FEMA), and the Alaska State Division of Homeland Security and Emergency Management (DHS&EM) funding for the Houston Middle School Rebuild and return the School District and School Site Selection Reserve funding that was previously

appropriated to the project in order to facilitate the issuance of the contract.

BACKGROUND: On November 30, 2018, the Matanuska-Susitna Borough sustained damage to Houston Middle School due to a magnitude 7.0 earthquake.

On December 4, 2018 the Assembly approved Emergency Ordinance 18-122 to establish funding for earthquake-related expenses. It reappropriated funds from the School Site Acquisition Reserve Fund and School Bond Interest Income Fund to Fund 445, Project 55026, 2018 November Cook Inlet Earthquake-Schools.

In 2019, the Borough's primary property insurance carrier, XL America, paid a total of \$15,000,000 in insurance proceeds, which is the maximum amount allowable under the policy. Three separate payments were Accepted and Appropriated by Ordinance Serial Numbers 19-027, 19-109, and 19-132.

On September 15, 2020, the Assembly adopted Ordinance 20-087 to appropriate \$5,900,000 contributed by the school district for Houston Middle School. At this same meeting the Assembly adopted Ordinance Serial Number 20-089, condemning Houston Middle School as a fire and health hazard. As a result of the condemnation, the Scope of Work changed from a repair and replace project to a demolition and rebuild project, resulting in a claim with the excess property insurance carrier, Aspen Specialty Insurance. On March 11, 2021, the Borough successfully negotiated a settlement of \$4,600,000 with Aspen Insurance.

On March 31, 2021, the Matanuska-Susitna School Board approved Resolution 21-006, resolving to commit \$6,000,000 in Areawide School Fund Balance to rebuild Houston Middle School.

On May 4, 2021, the Assembly adopted Ordinance 21-001 which approved the following actions:

- Accept and appropriate to fund 400, project 40204, Houston Middle School Rebuild:
 - o \$4,600,000 - Aspen Insurance Proceeds;
- Reappropriate from Emergency Fund 445, project 55026 to fund 400, project 40204, Houston Middle School Rebuild:
 - o \$5,900,000 Areawide Committed Fund balance;
 - o \$6,000,000 - School District Fund Balance;
 - o \$15,000,000 - XL American Insurance proceeds;
 - o \$1,725,446 - School Bond Interest; and
 - o \$890,521 in unspent School Site Acquisition Funds.

In December 2021 the Assembly will take action on Ordinance Serial No. 21-119, accepting and appropriating \$9,000,000 from the State

of Alaska, Department of Education & Early Development into fund 400, project 40204, Houston Middle School Rebuild.

This legislation will complete the following actions:

- Accept and appropriate to fund 400, project 40204, Houston Middle School Rebuild:
 - o \$13,778,276.68 from the Federal Emergency Management Agency (FEMA); and
 - o \$4,592,758.89 from the Alaska State Division of Homeland Security and Emergency Management (DHS&EM);
- Reappropriate \$11,900,000.00 from Houston Middle School Rebuild Fund 400, project 40204 to the School District fund 204;
- Reappropriate \$1,725,446 from Houston Middle School Rebuild Fund 400, project 40204, to Fund 300 School Bond Debt Service;
- Reappropriate \$890,521 from Houston Middle School Rebuild Fund 400, project 40204, to Fund 100 Reserve for School Site Acquisition; and
- Re-scoping \$1,500,000 in insurance proceeds from Houston Middle School Rebuild Fund 400, project 40204, to project 40205 Houston Jr/Sr High Repairs.

RECOMMENDATION OF ADMINISTRATION: Approve the legislation as presented.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: January 4, 2022

SUBJECT: ACCEPTING, AND APPROPRIATING A PORTION OF THE 2018 COOK INLET EARTHQUAKE DISASTER RELIEF MONIES, IN THE AMOUNT OF \$18,371,035.57 (\$13,778,276.68 FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), AND \$4,592,758.89 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT (DHS&EM) FOR THE HOUSTON MIDDLE SCHOOL REBUILD AND REAPPROPRIATING \$11,900,000.00 BACK TO THE SCHOOL DISTRICT, \$1,725,446 TO SCHOOL BOND DEBT SERVICE, AND \$890,521 TO THE SCHOOL SITE SELECTION RESERVES, AND RE-SCOPING \$1,500,000.00 TO THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT FROM THE HOUSTON MIDDLE SCHOOL REBUILD PROJECT; AND APPROVING THE SCOPE OF WORK AND AMENDED BUDGET FOR THE HOUSTON MIDDLE SCHOOL REBUILD AND THE SCOPE OF WORK AND BUDGET FOR THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT.

ORIGINATOR: P. Graham

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>(YES)</u> NO
AMOUNT REQUESTED <u>\$18,371,035.57</u>	FUNDING SOURCE <u>FEMA / DHS&EM</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>400.000.000 321.444</u>	PROJECT # <u>40204</u>
VERIFIED BY: <u>Chris Winkler</u>	CERTIFIED BY:
DATE: <u>12-21-21</u>	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		<u>18,371.0</u>				
Other						
TOTAL		<u>18,371.0</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) Acceptance of Funds

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

APPROVED BY:

DATE:

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: January 4, 2022

SUBJECT: ACCEPTING, AND APPROPRIATING A PORTION OF THE 2018 COOK INLET EARTHQUAKE DISASTER RELIEF MONIES, IN THE AMOUNT OF \$18,371,035.57 (\$13,778,276.68 FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), AND \$4,592,758.89 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT (DHS&EM) FOR THE HOUSTON MIDDLE SCHOOL REBUILD AND REAPPROPRIATING \$11,900,000.00 BACK TO THE SCHOOL DISTRICT, \$1,725,446 TO SCHOOL BOND DEBT SERVICE, AND \$890,521 TO THE SCHOOL SITE SELECTION RESERVES, AND RE-SCOPING \$1,500,000.00 TO THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT FROM THE HOUSTON MIDDLE SCHOOL REBUILD PROJECT; AND APPROVING THE SCOPE OF WORK AND AMENDED BUDGET FOR THE HOUSTON MIDDLE SCHOOL REBUILD AND THE SCOPE OF WORK AND BUDGET FOR THE HOUSTON JR/SR HIGH SCHOOL REPAIRS PROJECT.

ORIGINATOR: P. Graham

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED <u>\$16,015,967</u>	FUNDING SOURCE <u>School Capital Projects</u>
FROM ACCOUNT # <u>400.00.000 444.444</u>	PROJECT <u>40204</u>
TO ACCOUNT: <u>204.00.000 344.444</u> <u>200.00.000 344.444</u>	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>12-22-21</u>	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		<u>16,016.0</u>				
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund		<u>896.5</u>				
State/Federal Funds						
Other		<u>1,5125.5</u>				
TOTAL		<u>16,016.0</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

APPROVED BY:

DATE:

[Signature]

12/21/2021