

**SUBJECT:** A RESOLUTION AMENDING THE BUDGET FOR BIRCHTREE CHARTER SCHOOL, AND APPROVING THE BUDGET FOR AMERICAN CHARTER ACADEMY TO ADDRESS UNFORESEEN CONDITIONS, INFRASTRUCTURE NEEDS AND RESULTING COST IMPACTS DURING CONSTRUCTION.

**AGENDA OF: May 19, 2026**

**Assembly Action:**

**AGENDA ACTION REQUESTED:** Present to the Assembly for consideration.

Route To	Signatures
Division Manager	5 / 5 / 2 0 2 6 X C o l e B r a n h a m Signed by: Cole Branham
Department Director	5 / 5 / 2 0 2 6 X T o m A d a m s , P E Signed by: Tom Adams
Purchasing Director	5 / 6 / 2 0 2 6 X R K r a f f t Signed by: Russ Krafft
Finance Director	X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
Borough Attorney	5 / 7 / 2 0 2 6 X N i c h o l a s S p i r o p o u l o s Signed by: Nicholas Spiropoulos
Borough Manager	5 / 7 / 2 0 2 6 X M i c h a e l B r o w n Signed by: Mike Brown
Borough Clerk	5 / 1 1 / 2 0 2 6 X L o n n i e M c K e . . . Signed by: Lonnie Mckechnie

**ATTACHMENT (S):** Resolution Serial No. 26-050 (2 pp)

**SUMMARY STATEMENT:** Project No. 40006 (Birchtree Charter School) is not currently anticipated to proceed and remains on hold with no defined timeline. The design phase has been completed.

Project No. 40008 (American Charter Academy) is currently under construction. Following the addition of four classrooms, the project has limited remaining contingency. Recent cost increases have been driven primarily by unforeseen utility and water system challenges.

Elevated manganese levels in the on-site water supply have required a phased approach, including installation of a potable water cistern

and evaluation of a potential future water treatment system. Delayed access to three-phase power required extended use of temporary power and additional trenching. These issues are expected to fully consume the remaining contingency.

Additional uncertainty remains related to potential requirements from the Alaska Department of Transportation and Public Facilities (DOT&PF), including on-site traffic improvements and possible roadway upgrades, which could result in significant cost and schedule impacts. The total cost of these potential changes is not yet known.

To allow the construction of American Charter Academy to proceed with minimal delay, it is recommended that the budgets for Project Nos. 40006 and 40008 within Fund 400 be amended to provide capacity for anticipated changes, facilitate timely change order execution through the appropriate approval process, and maintain the construction schedule.

The legislation reallocates \$930,000 from Project No. 40006 to Project No. 40008 within Fund 400 - School Capital Projects.

**RECOMMENDATION OF ADMINISTRATION:** Respectfully request approval.

**MATANUSKA-SUSITNA BOROUGH**

**FISCAL NOTE**

Agenda Date: May 19, 2026

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FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <b>YES</b> NO
AMOUNT REQUESTED \$930,000	FUNDING SOURCE School Capital Projects
FROM ACCOUNT # 400.000.000 4xx.xxx	PROJECT# 40006
TO ACCOUNT: 400.000.000 3xx.xxx	PROJECT # 40008
VERIFIED BY:  X <u>L i e s e l Z a n t o</u> <small>Signed by: Liesel Zanto</small>	

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						
CAPITAL	930.0					
REVENUE						


**FUNDING:** (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	930.0					
TOTAL	930.0					

**POSITIONS:**

Full-Time						
Part-Time						
Temporary						

**ANALYSIS: (Attach a separate page if necessary)**

APPROVED BY:	 X <u>C h e y e n n e H e i n d e l</u> <small>Signed by: Cheyenne Heindel</small>
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