

## MEMORANDUM

**TO:** Petersburg Borough Assembly

**FROM:** Philip Hofstetter, Petersburg Medical Center CEO

**SUBJECT:** New Hospital Project – Mud Dump Fees

**DATE:** April 29, 2024

**CC:** Steve Giesbrecht, Borough Manager  
Jody Tow, Finance Director  
Debbie Thompson, Borough Clerk  
Jerod Cook, PMC Board Chair

I am writing to request that the Assembly support the agenda item related to waiving mud dump fees for the new hospital project. Please note the following.

1. Borough Resolution #2023-04 dedicated the Borough owned site being developed for the new hospital project. All material being excavated at the site is Borough owned material. This material is being disposed of at the Borough owned mud dump.
2. On January 2, 2024 the Borough Assembly identified the new hospital project as its #1 priority for state and federal funding. PMC recently submitted the following requests for additional funding for the project. Local contributions-in-kind are a plus when such requests are being considered. Waiving the referenced fees would be considered a contribution-in-kind.
  - FY 2025 State Capital Budget: \$37M
  - FY 2025 Federal CDS: \$15M
  - FY 2025 Federal CPF: \$15M
  - FY 2024 Denali Commission: \$2M
3. PMC is already paying Dawson Construction and their earthwork subcontractor (Rock-N-Road) directly for mud dump road maintenance. The payments to date total approximately \$44,000 with a commitment for an additional \$10,000.
4. The total excavation quantity for the project is approximately 95,400 Bank CY (all phases). For this amount of material the standard mud dump fee of \$1.50 per Truck CY would equate to approximately \$186,000.

Thank you for your consideration.