

Introduced by:	Mayor
Date:	11/05/19
Hearing:	12/03/19
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2019-32**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN OPERATING
AGREEMENT WITH SOUTH PENINSULA HOSPITAL, INC. FOR
SOUTH PENINSULA HOSPITAL AND OTHER MEDICAL FACILITIES**

WHEREAS, South Peninsula Hospital, Inc. (“SPHI”), a private non-profit corporation, has operated South Peninsula and associated medical facilities pursuant to a series of agreements with the borough, the most recent of which is a six-year agreement that expires December 31, 2019; and

WHEREAS, the borough administration and members of the SPHI board and administration have met and negotiated mutually agreeable changes to the previous agreement, and have tentatively agreed upon an Operating Agreement which the parties believe addresses the borough’s and SPHI’s concerns with the existing contract; and

WHEREAS, at its meeting of November 14, 2019, the South Kenai Peninsula Hospital Service Area Board recommended approved by majority vote;

WHEREAS, at its meeting of November 5, 2019, the SPHI board of directors recommended approval; and

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The assembly finds that entering into the proposed Operating Agreement with SPHI, in which SPHI agrees to operate the South Peninsula Hospital and other medical facilities for ten years, and to lease them from the borough for one dollar per year, is in the best interest of the borough because SPHI has successfully operated the hospital and other medical facilities under the existing and previous contracts, demonstrating its capability to continue doing so. This maintains local control over these assets, and all assets generated through the agreement remain borough property under the proposed agreement.

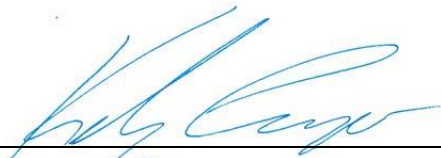
SECTION 2. The assembly shall consider all recommendations submitted to it by the South Kenai Peninsula Hospital Service Area Board on matters submitted for assembly consideration pursuant to the Operating Agreement.

SECTION 3. The Operating Agreement draft, effective January 1, 2020, to be entered between SPHI and the borough on behalf of the South Kenai Peninsula Hospital Service Area, a copy of which is attached and incorporated herein by reference, is approved. The mayor is authorized to execute an Operating Agreement substantially in the form of the attached approved draft and to take such actions as are necessary to implement its terms and conditions.

SECTION 4. The provisions of KPB 17.10.240, containing general terms and conditions for standard borough leases, shall not apply to leases associated with the attached Operating Agreement and the associated subleases or leases.


SECTION 5. This ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 3RD DAY OF DECEMBER, 2019.

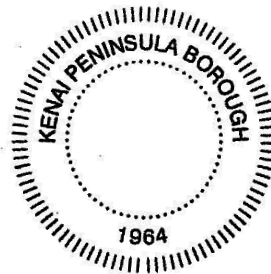


Kelly Cooper, Assembly President

ATTEST:



Johni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Blakeley, Carpenter, Cox, Dunne, Hibbert, Johnson, Smalley, Cooper
No: None
Absent: None