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Committee:	Finance
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PUBLIC COMMENTS
RESOLUTION 2013-072

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From: Shane Morgan <joynshane@mac.com>
Sent: Sunday, October 20, 2013 3:48 PM
To: Blankenship, Johni
Subject: Hospital Bond Proposition

A bond issue of this size should be brought before the voters for approval. Please vote NO on resolution 2013-072. The public should have a chance to vote on this.

Thank You,
Shane B Morgan

From: jbg@alaska.net
Sent: Sunday, October 20, 2013 4:33 PM
To: Blankenship, Johni
Subject: resolution 2013-072

I respectfully request your NO vote on resolution 2013-072.

June Green
P O Box 2656
Soldotna, AK 99669-2656
(907) 262-7972
jbg@alaska.net

From: Robert Lambe <Bob.Lambe@akcpas.com>
Sent: Sunday, October 20, 2013 6:10 PM
To: Blankenship, Johni
Subject: 2013 072

Vote NO

Sent from my ACS Android

From: Marsha Markstrom <alaskamarsha@me.com>
Sent: Sunday, October 20, 2013 9:12 PM
To: Blankenship, Johni
Subject: Vote NO on resolution 2013-072

Dear Assembly Member

Please vote no on resolution 2013-072. An expenditure of this magnitude has always been decided at the ballot box and this \$43,000,000 revenue bond sale should be no different.

Thank You,

Marsha Markstrom
Buddy@acsalaska.net

Subject: FW: Hospital

From: Gene Kallus [<mailto:arcticranger@hotmail.com>]

Sent: Monday, October 21, 2013 4:09 AM

To: Blankenship, Johni

Subject: Hospital

Vote NO on proposition 2013-072! All Bond approvals, especially for this amount of money, should be voted on by the voters in the Borough!

Gene & Carol Kallus
279 Stacy Drive
Soldotna, Alaska 99669

Sent from my iPad

Subject:

FW:

From: Steven Judge [<mailto:cookinletlighting@yahoo.com>]

Sent: Monday, October 21, 2013 7:42 AM

To: Blankenship, Johni

Subject:

This Bond for a new hospital is a joke and you and the other 9 members of the ASSEMBLY to let the people vote on this We have enough tax debt on the peninsula already so please vote NO!!

Subject:

FW: Borough Resolution 2013-072

From: Henry Krull [<mailto:hgkrull@gmail.com>]

Sent: Monday, October 21, 2013 10:40 AM

To: Wolf, Kelly; Smalley, Hal; Bagley, Dale; Ogle, Wayne; Pierce, Charlie; McClure, Sue; Johnson, Brent; Smith, Bill; Haggerty, Mako; Blankenship, Johni

Subject: Borough Resolution 2013-072

Kenai Peninsula Borough Assembly Members:

I want to let you know, in case I am not able to attend the Borough Assembly meeting tomorrow night, that I am opposed to Borough Resolution 2013-072. While I am in support of some of the elements of this hospital expansion (cancer center, infusion center), I am opposed to most of this project. CPH is attempting to monopolize healthcare services in the community, which could spell the end for independent physicians like me who have served this community for many years (15, for me). There are plans for a Spine Center, for the independent spine surgeon in the community. I see the logic for this if he is employed by CPH, but he is not. He certainly has the resources to build his spine center, much like I have done with my orthopaedic clinic. Besides bringing all of the CPH-employed physicians in the community under one roof, vacating all of the medical office space that they currently utilize, CPH is building space for an additional 7 clinics, to serve "future needs." This will preclude the need for any additional medical office space in the private community. No building in their right mind will bill medical office space, when CPH is sitting on space for 7 additional providers.

I am also strongly opposed to the construction of two "procedure rooms." These are being labeled endoscopy suites, but I am certain that CPH will soon turn these into "outpatient surgery suites", and will not require CON approval to do so. As a member of Kahtnu Ventures, the group of independent local surgeons that attempted to get approval for and build an outpatient surgical center, I recall being told specifically by both the State of Alaska and CPH that we do NOT need additional surgical suites on the Peninsula. In fact, we were told that there is no need for additional surgical suites on the Peninsula at least until 2019. So how is it that now, all of the sudden, CPH feels we need, and should approve 2 new procedure rooms in the new Medical Office Building? It is a sneaky, back-handed way to get what they want, and to further monopolize healthcare on the Peninsula.

As for the task at hand, Borough Resolution 2013-072 calls for the Assembly to approve the use of *revenue bonds* for an almost \$50M CPH expansion. I am vigorously opposed to funding this project, which I am already opposed to, with revenue bonds that happen to NOT require voter approval. All major CPH expansions have been funded with GO bonds, which require voter approval. Why are the citizens of the Borough not being given the opportunity to approve or disapprove of this proposed expansion? I am no financial expert, but I see the main reason for going this route is to *bypass the voters*. This is wrong, and the Assembly should not go along with it. Put this to the voters to decide if \$50M should be invested in this project.

Thanks you for your consideration. You may contact me if you have any questions or comments (398-2930). I hope to attend the meeting, but I am on call at the hospital tomorrow for orthopaedic emergencies.

Henry Krull, MD

15-year Kenai Peninsula Resident and registered voter

Subject:

FW: CPH 43 Mil Bond

From: Ruthi Riley [<mailto:rileyfour@hotmail.com>]

Sent: Monday, October 21, 2013 11:16 AM

To: Wolf, Kelly; Smalley, Hal; Bagley, Dale; Ogle, Wayne; Pierce, Charlie; McClure, Sue; Johnson, Brent; Smith, Bill; Haggerty, Mako; Blankenship, Johni

Subject: CPH 43 Mil Bond

Dear Borough Assembly,

Would you please vote NO on 2013-072. We realize CPH is not required to have public approval on Revenue Bonds, however this is still a community owned facility. It would be nice if we could all understand this more fully, and have a community vote, before it's approved. We are not 100% against expansion. We are against CPH making this decision without community approval. We understand it's important for expansion to occur in any business. We also understand that \$43,000,000.00 is a huge amount of money for our community.

When ICD-10 (New coding system) is implemented on October 1, 2014 and the possibility of revenue goes down by 30% (that is what the medical community is being told to expect initially, worse case scenario) who will cover this bond? As small business owners as well as a private property owners, we are wondering if we are going to have an additional tax burden placed on us?

Please vote NO to allow some time for our community to make an educated decision, weighing all the effects (good and bad).

Please trust our "community" to know what is best for our "community." I believe in general we all support Central Peninsula Hospital. What is difficult to support is all the decision making taking place by a minority of people rather than the community as a whole. Hold CPH accountable to "sell the community" on this expansion. Please don't allow them to simply "inform" us that it is taking place.

Sincerely,

Guy and Ruthi Riley

Small business owners, Peninsula Powder Coating

Subject: FW: NO on resolution 2013-072

From: Nick Kemp [<mailto:kemp99669@gmail.com>]

Sent: Monday, October 21, 2013 11:27 AM

To: Wolf, Kelly; Smalley, Hal; Bagley, Dale; Ogle, Wayne; Pierce, Charlie; McClure, Sue; Johnson, Brent; Smith, Bill; Haggerty, Mako; Blankenship, Johni

Subject: NO on resolution 2013-072

I am writing to tell you that I want a no vote on Resolution 2013-072. This needs to be put on the ballot as a public vote not just a quick vote through the chamber.

Thank You

Nick Kemp
PO Box 394
Soldotna, AK 99669

Subject: FW: CPH PHase V \$43,000,000.00 Expansion

From: Cari Friendshuh [<mailto:pph@acsalaska.net>]

Sent: Monday, October 21, 2013 2:10 PM

To: Blankenship, Johni

Subject: CPH PHase V \$43,000,000.00 Expansion

This bond sale needs to be approved by the voter. An expenditure of this magnitude has always been decided at the ballot box and this **\$43,000,000** revenue bond sale should be no different.

Cari Friendshuh

Subject:

FW: Vote No

From: John C. Davis [<mailto:jcdavis@gci.net>]

Sent: Monday, October 21, 2013 2:49 PM

To: Blankenship, Johni

Subject: FW: Vote No

Please Vote NO on Res. 2013-072

John C. Davis

Mary J. Davis

Lindsay Hutchins

George Hutchins

48590 KSRM Court

Kenai, AK 99611

Subject: FW: Support of Central Peninsula Hospital

From: Price, Nicole [<mailto:nprice@cpgh.org>]

Sent: Monday, October 21, 2013 4:25 PM

To: Blankenship, Johni

Subject: Support of Central Peninsula Hospital

TO: Kenai Borough Assembly Members

This email is to show my support for the Central Peninsula Hospital building project and to support the selling of revenue bonds to move forward with the bid process. I believe the proposed addition to the hospital would be a benefit for the community. Having cared for family members that have had to travel far from home for cancer treatment and having had to travel to Anchorage for my own personal needs I am fully in support of this project.

Nicole

Nicole Price, RN, MSN, CNS/ANP

Director, Staff Development



250 Hospital Place

Soldotna, AK 99669

907-714-4775

Fax: 907-714-4975

email: nprice@cpgh.org

Staff Development - Saving lives through education

Subject: FW: Support for CPH MOB expansion

From: Dailey, Marianne [<mailto:mdailey@cpgh.org>]

Sent: Monday, October 21, 2013 5:21 PM

To: Blankenship, Johni

Subject: Support for CPH MOB expansion

To KPB Assembly:

I have lived in Sterling and worked at Central Peninsula (General) Hospital (CPH) since 1982.

Through the years, CPH has given me many opportunities to further my training and experience resulting in career advancement. It has been my career at CPH that paved the way for me to invest in others, and contribute to the education of those seeking a health-related career. I am a long time adjunct instructor at KPC, and I also taught previously for several years with University of Alaska-Southeast in one of their distance-delivered programs. I also mentor students in my work at CPH.

The opportunities to grow professionally and to "give back" may not have been possible if not for the long-standing support and insight of the community (and the KPB Assembly) in decisions related to CPH ownership and organizational growth. CPH has always sought to be proactively responsive to the changing health care needs of our community. The organization has been an excellent steward of the community's trust and resources, to which I believe CPH's fiscal performance track record speaks strongly.

CPH has the benefit of our community in mind. I trust that the Assembly will continue its support of CPH in the meeting the growing need for local health care services and resources.

Respectfully,

Marianne Dailey, RHIT, CHP, CPHQ
HIM Director & Privacy Officer
Central Peninsula Hospital
(907) 714-4563

Subject: FW: assembly vote

From: Zerbinos, Margaret [<mailto:mzerbinos@cpgh.org>]

Sent: Monday, October 21, 2013 5:40 PM

To: Blankenship, Johni

Subject: assembly vote

KPB Assembly members,

Please approve the sale of \$43 million in revenue bonds to allow the hospital to move forward with the bid process so that construction may start next spring to complete the cancer center on the CPH campus and the building of the specialty clinics medical office building.

Thank you, meg

Meg Zerbinos, BCC
Spiritual Care Coordinator
Central Peninsula Hospital/Heritage Place
250 Hospital Place
Soldotna, AK 99669
907-714-4610

Subject:

FW: Opposition to Resolution 2013-072

From: Anton Krull [<mailto:manton93@gmail.com>]

Sent: Monday, October 21, 2013 7:31 PM

To: Wolf, Kelly; Smalley, Hal; Bagley, Dale; Ogle, Wayne; Pierce, Charlie; McClure, Sue; Johnson, Brent; Smith, Bill; Haggerty, Mako; Blankenship, Johni

Subject: Opposition to Resolution 2013-072

Borough Assembly members,

I'm writing to inform you that I am opposed to Resolution 2013-072 and to ask you to vote NO. I do not believe a Borough (community)-owned hospital should be allowed to make an expenditure so massive without at least the public's awareness, let alone approval. Such an expansion would contribute to further centralization of health care services on the Peninsula, eliminating healthy market competition in local medicine and allowing the Hospital to continue hiking rates. The consequences could potentially harm patients, and in this particular situation, at their own expense. As this sale of revenue bonds will undoubtedly change the state of healthcare on the Peninsula, and as the Hospital's and the Borough's principle obligation is to the patients and the people at large, the public must be made aware of this and given an opportunity to approve or deny.

Please vote NO on Resolution 2013-072!

Thank you,

A concerned Kenai Peninsula native

Subject: FW: message to Assembly members

From: joalaska [mailto:joalaska@ptialaska.net]
Sent: Tuesday, October 22, 2013 12:43 AM
To: Blankenship, Johni
Subject: message to Assembly members

Hi Johni,
I will be unable to attend the Borough meeting Tuesday night, but would like to submit this message to the members, especially my representative Brent Johnson.

Dear Assembly members,

I am asking you to not approve the multi-million dollar plan to further expand the hospital.

Most of us have not had an opportunity to become informed as to the NEED for this expansion, nor the ramifications of taking on yet more debt in these poor economic times.

The mandates of Obamacare will not start showing up until after January 1, 2014, and we do not know what the financial situation will be when those start taking effect. Some predict jobs and the economy will suffer, so we have no assurance that the hospital will be able to pay off those bonds. If they are not able to pay for this expansion, Borough property owners will more than likely be taxed to pay for it.

Since there is really NO reason to rush into this debt, why don't you postpone action on it until after the first of the year, when we will begin to see how the economic picture is, then? That would also allow time for Borough residents to take a closer look at this project and see if we are really willing to go deeper in debt at this time.

The Assembly took action on the Anadromous stream issue with little notice to the residents, and THAT created an unpleasant backlash from many people, and raised a lot of anger against the Assembly. If you approve more debt without adequate public attention, you may well see another fractious issue occur.

Please delay action on this project until next year. Doing so will not do any harm - we have lived without it so far - and a more cautious approach will be better accepted by the voters.

I am asking you to vote AGAINST granting this money, now.

Joann Odd
P.O. Box 62
Clam Gulch, AK
99568

Subject:

FW: CPH continued expansion

From: Schaeffer, Laurie L. [<mailto:lschaeffer@cpgh.org>]

Sent: Tuesday, October 22, 2013 7:49 AM

To: Blankenship, Johni

Subject: CPH continued expansion

Dear KPB Assembly,

I am in support of CPH's continued expansion of services for our community. Offering services in our own community increases access for all of the people who live here.

In the long term and as a society, I believe it will be fiscally responsible related to decreased travel costs/expenses for proper care and increased regular oversight of care resulting decreased readmissions of patients. This consistency in care increases compliance with care and creates a healthier individual and community at large. In the long term this will decrease cost.

Personally, I could share stories of friends and family who have needed to travel for their care. This created incredible hardship, and at times the individual could not go for care at all. At times, the results of this are devastating.

In addition, I hope someday we will have expansion of services for cardiac care. This would result in better outcomes and at times save lives with more timely care, since individuals would not need to travel emergently.

As they say in the medical field, "time is muscle". We want to build a stronger community here on the Kenai. Here is to promoting wellness in our community.

Please approve the continued expansion of healthcare for our community. Thank you for your time is considering my request.

Sincerely,

Laurie Schaeffer, HN-BC RN

Quality Reviewer

Central Peninsula Hospital

tel: (907) 714-4793

fax: (907) 714-4646

lschaeffer@cpgh.org

Wenda Kennedy JD
PO Box 8545
Nikiski, AK 99635
(907) 776-6563

RE: Resolution 2013-072

1. The elephant in the room:

Is the hospital doing enough business to warrant expansion at this time? Is this a good business decision, and is it a reasonable use of Borough resources during trying economic times?

2. Does the planned development fit normal cash flow and business models for a comparable professional, commercial building?

The normal cash flow analysis for this type of building is as follows:

Potential Gross Income (100% occupancy)

- Collection & Vacancy Factor

= Gross Income

- Fixed Operating Expenses

-Variable Operating Expenses

-Sinking Funds for short lived items (roofs, HVAC systems, etc)

= Net Operating Income

From which, debt service is paid

This bond offering appears to deviate from the normal cash flow models in the following ways:

2a. Who is responsible for Tenant Improvements? (Page 5, Section 3, Line 13-15) And how are they going to be capitalized in the leases with the tenants?

2b. Who is going to pay the operating expenses and provide sinking funds for short lived items concerning the building? The Borough tax payers? What about common area maintenance and associated costs (such as utilities)?

That assumption of liability is supported by the following:

1. The definitions appear to indicate that the income stream from the building is going to be dedicated to debt servicing rather than paying for the operating expenses first.

("Net Revenues" includes "all amounts received by the Borough for the specialty clinic..." (Page 4, Line 12-15) "'Pledged Revenues' means Net Revenues and interest received and profits ... held in any fund solely to pay or secure the payment of any Parity Bonds issued under this resolution." (Page 4, Line 19-22))

(" Priority of Use of Pledged Revenues..." Page 13 & 14, Section 11)

2. The actual bonds funds generated appear to be dedicated in part to the operation expenses for the building (Page 2, Section 1, Line 14-15) How is that going to work? What part of the bond funds are going to be use for operating expenses. What about any remaining bond fund balances?

3. The Borough is bound to do the maintenance and operation of the building (Page 11, Lines 23 – 26) Why isn't the hospital's total income stream specifically on the hook for this?

3. Who will be designed as the building Operator? Is this a Borough employee or an independent contractor? Will they be bonded and insured to execute their duties? What about any liabilities that arise from mechanic's liens? (Page 19, Section 15,F)

4. In Section 11, "Priority of Use of Pledged Revenues" talks about sinking funds for "subordinate lien bonds." What subordinate lien bonds? (Page 14, Line 8) So, according to this resolution, all the income from the building and interest bearing holding accounts is being funneled into debt service and future, yet to be determined, debt service? Is there more planned for which this money is ear marked?

5. What happens if the building does not generate enough funds to support itself? (Page 11, Lines 23 -26) Are we, the tax payers, paying for a negative cash flow building out of Borough public funds?

6. What kind of "specialty clinic" facilities is going to occupy the building? How does the addition of these hospital-linked clinics relate to the hospital's aggressive program to buy up private practices and business? Will we still have any chance of a local, free enterprise market for health care, with meaningful competition?

Subject: FW: Comments for Borough Assembly Meeting

From: Niichel, Joseph Y. [<mailto:jniichel@cpgh.org>]

Sent: Tuesday, October 22, 2013 12:15 PM

To: Blankenship, Johni

Cc: Davis, Rick

Subject: Comments for Borough Assembly Meeting

Johni,

I'd like to comment:

I approve of the Hospital's expansion project and ask the assembly to approve the sale of bonds. As an Employee of the Hospital, I feel the project will bring more business and also provide an influx of spending to our economy. It would also have the added impact of bringing more jobs to our area, and complete a process that we've already spent money on designing.

This summer I met and was befriended by 2 families that travelled to our hospital for health care services. The first family choose to come from Anchorage and spend 3 weeks in the area while a family member recovered. They choose our hospital (over Anchorage) due to our Dr's and nurses, and the outstanding service we provide. The other family came from a rural village to receive health care services for about a week. They were more comfortable here than in Anchorage.

I think it's very exciting to see people from all over the state voluntarily coming here, and choosing our hospital for care.

Thank You,

Joe Niichel
31185 Etah Maku Way
Soldotna, AK 99669

Date: October 22, 2013

Subject: Resolution 2013-072 Hospital Revenue Bonds

To: KPB Assembly, Mayor, Clerk

For the record, I am opposed to any government backed monopoly. That is exactly what our little regional hospital is rapidly becoming. Sure it sounds good having a facility that serves all our needs, but not at the expense of fair market competition.

The previously proposed oncology clinic and surgical clinic in Kenai are examples of the borough interfering with private sector healthcare providers. Not to mention all the healthcare businesses already purchased by the hospital. Now instead of taxpaying business we have a "nonprofit" paying no taxes. How many more taxpaying clinics and private practices does the hospital need to purchase before it has a 100% monopoly on healthcare in this area? What will the rates be then?

There are many unanswered questions in the proposed resolution. The first one is, "why was this on the consent agenda?" How responsible is it not allowing full public debate before a decision of this magnitude is made? There should be at least two public hearings to fully examine this issue. If you cannot explain terms of the bond sale or operating agreement, then you should not be voting on it!

I think Voters should be consulted before encumbering the hospital and future revenues of our hospital. Forty three million is a lot of money especially when added to the previous bond balance. Whether required or not, why was this not on the recent municipal election ballot? The next acceptable election to vote on these bonds is October 2014. A special election on this issue is NOT acceptable.

The hospital has a healthy fund balance which could be used to reduce the bond amount. I don't see this being considered and want to know why?

Maybe it is time to sell the hospital and put it on the tax rolls and let it sink or swim in the new ObamaCare swamp.

Please vote NO on Resolution 2013-072 until you can answer all the questions and consulted with Borough Voters.

Thank you,

Mike McBride

North Kenai

Subject: FW: CPH bonds

From: Mike Tauriainen [<mailto:miket@gci.net>]

Sent: Tuesday, October 22, 2013 2:18 PM

To: Bagley, Dale

Cc: Blankenship, Johni

Subject: CPH bonds

Dale

I don't begin to understand all the ins and outs of our hospital physical plant, but I think it would be wise to hold off b4 authorizing \$40+ million; instead run it by the voters in the next local election. I personally am concerned about centralizing medicine under one roof (figuratively and physically). We seem to be destroying the competitive practice of medicine in this country on many fronts.

I realize we've already invested \$millions in design, but that in itself is not a good reason to plunge ahead with many millions more; and it won't hurt to slow down the process a bit.

Please bring it to the voters and build support for the hospital whether we vote for the bonds or against. Otherwise many of us will feel "we got snookered".

Thanks for taking the time to discuss this with me today.

Mike