

Introduced by:	Mayor
Date:	02/15/22
Hearing:	03/01/22
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2021-19-38**

**AN ORDINANCE APPROPRIATING FUNDS FROM THE SOUTH PENINSULA  
HOSPITAL SERVICE AREA PLANT REPLACEMENT AND EXPANSION FUND FOR  
CAPITAL REPAIRS FOR THE PROPERTY LOCATED AT 203 WEST PIONEER  
AVENUE, HOMER, ALASKA**

**WHEREAS,** the Kenai Peninsula Borough (“Borough”) owns and provides for the operation of South Peninsula Hospital (“Hospital”) through the South Kenai Peninsula Hospital Service Area, (“Service Area”); and

**WHEREAS,** the Borough has entered into an Operating Agreement with South Peninsula Hospital, Inc. (“SPHI”) for operation of the Hospital and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

**WHEREAS,** the Borough, on behalf of the Service Area, recently purchased a medical office building located at 203 West Pioneer Avenue, Homer, Alaska, KPB Parcel number: 17514304 which houses its Home Health Department, Functional Medicine, Surgical Clinic, and Staff Training room; and

**WHEREAS,** pursuant to the Operating Agreement, Section 11, reportable maintenance projects are defined as Minor Maintenance Projects with a cost in excess of \$100,000 and all Major Maintenance projects; and

**WHEREAS,** pursuant to the Operating Agreement, Section 11, SPHI is required to notify the Borough Contract Administrator and Purchasing and Contracting Director in writing prior to commencing any work on reportable projects; and

**WHEREAS,** the building located at 203 West Pioneer Avenue, Homer, Alaska requires certain durable capital repairs to ensure long-term maintenance and protection of the physical property; and

**WHEREAS,** an inspection of the property was performed prior to purchase revealing the necessary repairs and a credit was provided by the seller toward the purchase price for half of the repair costs; and

**WHEREAS,** the necessary capital repairs were known at the time of the building's purchase and a mutually agreed upon purchase discount was negotiated between the buyer and seller; and

**WHEREAS,** the estimated costs of the repairs are approximately \$295,000; and

**WHEREAS,** the purchasing guidelines of the Borough require that a formal procurement process be followed for the aforementioned repairs; and

**WHEREAS,** there is currently \$10 million in the SPHI Unobligated Plant Replacement and Expansion Fund; and

**WHEREAS,** SPHI is requesting to use \$147,500 in Unobligated Plant Replacement and Expansion Funds and \$147,500 in SPHI Operating Cash to pay for these capital repairs; and

**WHEREAS,** at its regular meeting of January 20, 2022, the SPHI Board recommended approval through unanimous approval; and

**WHEREAS,** at its meeting on February 10, 2022, the South Kenai Peninsula Hospital Service Area Board recommended approval by the passage of SKPHSAB Resolution 2022-01;


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

**SECTION 1.** That funds in the amount of \$147,500 are appropriated from the South Peninsula Hospital Plant Replacement and Expansion Fund account number 491.20602 to account 491.81210.22SPR.49999 for capital repairs of the medical office building located at 203 West Pioneer Avenue, Homer, Alaska.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

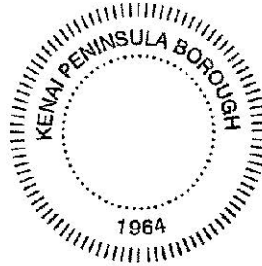
**SECTION 3.** This ordinance shall become effective immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 1ST DAY OF MARCH, 2022.**

  
Brent Johnson, Assembly President

ATTEST:

  
John Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson  
No: None  
Absent: Chesley