

South Peninsula Hospital Service Area

FY2025 Proposed Budget

Pages 327 & 366

Powers 16.24.10

The South Kenai Peninsula Hospital Service Area shall have the **power to construct, maintain and operate a hospital or hospitals, to provide for acute inpatient and outpatient hospital services, personal care attendant services, inpatient long term care services, home and community based health care services, preventive medical care and wellness programs, and health education programs** within the service area and for the administration and operation of the service area, subject to such conditions as may be established by ordinance of the Kenai Peninsula Borough

Background Information

Current Mill Rates are 1.00 mills and .34 for Debt Service prior to 7/1/2019.

Provides funding for payment of debt service, purchase of capital equipment, operational expenses of a hospital, operating cost of the Service Area and other health care related items within the Service Area.

Org Chart – In Assembly Chambers

FY2024 Expenditures

Service Area Funded:

◦ Annual External Audit of SPH, Inc.	\$	84,800
◦ Secretarial Svcs for Board		14,000
◦ Board Travel & Training		10,000
◦ Printing		1,000
◦ Property Insurance on Facility		145,714
◦ Administrative Service Fee		6,388
◦ Capital Projects Fund TRSF		2,119,853
◦ Debt Service TRSF		2,216,794

FY2025 Expenditures

Service Area Funded:

◦ Annual External Audit of SPH, Inc.	\$	92,670
◦ Secretarial Svcs for Board		14,000
◦ Bond Counsel		5,000
◦ Board Travel & Training		10,000
◦ Printing & Advertising		1,000
◦ Property Insurance on Facility		234,188
◦ Administrative Service Fee		8,921
◦ Capital Projects Fund TRSF		2,458,393
◦ Debt Service TRSF		1,495,169

Expenditure Summary

	FY2024 Original Budget	FY2025 Proposed Budget	Change
Services	\$ 255,514	\$ 356,858	\$ 101,344
Capital Transfer	2,119,853	2,458,393	388,540
Debt Transfer	2,216,794	1,495,169	(721,625)
Interdepart'l Charges	6,388	8,921	2,533
Total	\$ 4,598,549	\$ 4,319,341	\$ (229,208)
Change			(5.0%)

Capital Project Fund Summary

	FY2025 Proposed Budget
Hospital Projects/Equipment (page 366)	\$ 2,458,393

Significant Budgetary Items

- Reduced mill rate for Debt Service Fund from 1.00 to .34. Svc Area is scheduled to be dissolved in FY2032 upon final payment of debt.
- Audit fees are up about 65% since 2022 due to complex accounting changes and reporting requirements.
- Property insurance will continue to increase as the facility is upgraded and replacement costs escalate.