

Introduced by: Mayor  
Date: 05/18/21  
Hearing: 06/01/21  
Action: Enacted  
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2020-19- 33**

**AN ORDINANCE APPROPRIATING FUNDING FROM THE CENTRAL PENINSULA  
HOSPITAL PLANT REPLACEMENT AND EXPANSION FUND TO REPLENISH  
CENTRAL PENINSULA GENERAL HOSPITAL, INC.'S 90 DAYS CASH ON HAND**

- WHEREAS,** the Kenai Peninsula Borough (“Borough”) has entered into an Operating Agreement with Central Peninsula General Hospital, Inc. (“CPGH, Inc.”) for operation of Central Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the service area residents; and
- WHEREAS,** Section 16, Finances, Paragraph (a) Operating Revenue, requires that, on a quarterly basis, CPGH, Inc. "shall transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the Central Peninsula Hospital Plant Replacement and Expansion Fund (PREF)”; and
- WHEREAS,** Section 16, Finances, Paragraph (a) Operating Revenue, also allows that, "If the cash on hand is less than ninety (90) days at any time, then CPGH, Inc. may request that the Borough authorize the transfer of an amount from the PREF to its operating reserve to maintain the operating reserve amount, by CPGH, Inc. Board action"; and
- WHEREAS,** CPGH, Inc. has determined that the operating reserve is below 90 days “cash on hand” in the amount of \$17,008,123 (37.31 days), due to CPGH, Inc.'s repayment of advance Medicare funding on April 6, 2021; and
- WHEREAS,** Section 16, Finances, Paragraph (b), Plant Replacement and Expansion Fund, requires that any transfer in or out of the PREF shall first be considered by the CPGH, Inc. board and its recommendation shall be forwarded to the assembly; and
- WHEREAS,** Paragraph 1, Exhibit C, Memorandum of Agreement, requires CPGH, Inc. to notify the Borough finance director or designee of the date, method, and other necessary information to effectuate any deposit into or withdrawal from the PREF; however, the date of transfer and deposit cannot occur until after the date of assembly approval; and

**WHEREAS,** the CPGH, Inc. board, at its April 29, 2021 meeting recommended the transfer of funds in the amount of \$17,008,123 from the PREF to CPGH, Inc. bringing its cash on hand to 90 days; and

**WHEREAS,** the June 30, 2021 quarter is nearing its completion and per Section 16, Finances, Paragraph (a) Operating Revenue, CPGH, Inc. is required to, on a quarterly basis "transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the Central Peninsula Hospital Plant Replacement and Expansion Fund (PREF)", therefore a follow-up report should be available shortly thereafter providing an updated cash reserve status;

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

**SECTION 1.** Funds in the amount of \$17,008,123 are appropriated from the Central Peninsula Hospital Plant Replacement and Expansion Fund account number 490.20602 to be transferred to CPGH, Inc. for the purpose of replenishment of CPGH Inc's. 90 days cash on hand.

**SECTION 2.** CPGH, Inc. is to provide a follow-up report to the Assembly shortly after June 30, 2021 providing an update on the cash reserve status for CPGH, Inc.


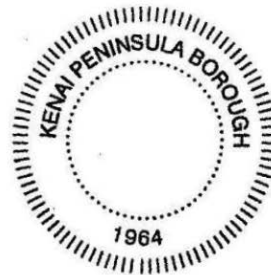
**SECTION 3.** This ordinance takes effect immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 1ST DAY OF JUNE, 2021.**



Brent Hibbert, Assembly President

ATTEST:

  
Jonni Blankenship, MMC, Borough Clerk

Yes: Bjorkman, Carpenter, Cox, Derkevorkian, Dunne, Elam, Johnson, Hibbert  
No: None  
Absent: Chesley