

**SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA BOARD**

RESOLUTION 2023-02

**A Resolution of the South Kenai Peninsula Hospital Service Area Board
Recommending Approval of the Kenai Peninsula Borough Assembly
Resolution 2023-008 Establishing the Federal Congressional
Priorities List for the Kenai Peninsula Borough for Fiscal Year 2024**

WHEREAS the Kenai Peninsula Borough (Borough) owns and provides for the operation of South Peninsula Hospital (SPH) through the South Kenai Peninsula Hospital Service Area;

WHEREAS SPH is a non-profit entity that was founded in 1956 and serves those who live in the southern communities of the Kenai Peninsula from Ninilchik to Nanwalek, Port Graham, and Seldovia;

WHEREAS the South Peninsula Hospital, Inc. (SPHI) operates SPH through an operating agreement with the Borough;

WHEREAS SPH is a 22-bed acute care critical access hospital with an attached 28-bed skilled nursing/long-term care facility and it provides healthcare services, including acute care, cancer care, home health, family birthing, imaging, sleep center, rehabilitation, surgery, trauma level IV emergency care, and other specialties clinical services utilized by the residents of the service area as well as other Alaskans and seasonal visitors who are within the service area and have an emergent need;

WHEREAS the current facility that houses the SPH has exceeded its useful life expectancy and is currently experiencing failures to existing mechanical, plumbing, roofing, and building envelope systems;

WHEREAS the average Age of Plant is a common ratio used in the healthcare industry which determines the age of fixed assets used in a business's operations and the median Average Age of Plant for U.S. Hospitals was 10.8 years in 2014;

WHEREAS Hospitals within the lowest quartile of average age of plant (0 to 8.13 years) are found to have higher overall performance metrics;

WHEREAS SPH's Average Age of Plant as of June 30, 2022 was 15.44 years, placing it in the highest quartile for aging hospitals (14.3+ years);

WHEREAS Hospital failures are disruptive to patient care and cause life safety risks and hazards to the communities the hospital serves;

WHEREAS the current emergency power plant, which was built in the early 1980s, is in need of a total renovation and relocation;

WHEREAS the Center for Medicare and Medicaid Services has cited SPHI for several code compliance issues related to the age of the facility and its components as a result of these failures and issues;

WHEREAS a master plan has recently provided for a complete renovation of the existing facility which consolidates all services in one single campus, prioritizes patient care, improves efficiencies, ensures code compliance, and provides for a safer facility for all patients within the hospital;

WHEREAS this project would ensure the hospital can better serve the entirety of the Southern Peninsula;

WHEREAS the South Peninsula Hospital's Site and Facility Rehabilitation Project will reduce an overall cost to the local community, ensure better life safety services to those in need, provide for better code compliance, and extend the aging infrastructure for many years to come;

WHEREAS the South Peninsula Hospital's Site and Facility Rehabilitation Project for \$21,500,000 (the most accurate estimate of how much this project will cost in 2023 dollars);

WHEREAS the Kenai Borough has capital projects that are qualified for submission to Alaska's U.S. Senate representatives for Congressionally Directed Spending requests as allowed under RULE XLIV of the Standing Rules of the Senate; and

WHEREAS the Kenai Peninsula Borough Assembly (Assembly) finds it is in the best interest of the Borough to establish priorities for capital projects for Congressionally Directed Spending and submission to Senator Lisa Murkowski and Senator Dan Sullivan for their awareness of the Borough's request for financial assistance to achieve priority infrastructure needs;

WHEREAS the Assembly will not be meeting until January 17, 2023, which is after the SKPHSAB meeting on January 12, 2023 to review the Assembly Resolution 2023-008, the SKPHSAB's recommendation is contingent on the Assembly's approval of Resolution 2023-008.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD:

1. That the Kenai Peninsula Borough's Congressional Priorities List for Fiscal Year 2024 for Congressionally Direct Spending for important infrastructure needs in the Borough, as set forth and described on the project information statements that accompany this resolution, includes the capital project priority of the South Peninsula Hospital's Site and Facility Rehabilitation Project for \$21,500,000.
2. That a copy of this resolution and all accompanying project information will be sent to Senator Lisa Murkowski and Senator Dan Sullivan.

3. That this resolution is effective immediately upon adoption.

**PASSED AND ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE
AREA BOARD AT ITS MEETING HELD ON THIS 12th DAY OF JANUARY 2023.**

ATTEST:

A handwritten signature in black ink, appearing to read "Helen Armstrong", written over a horizontal line.

Helen Armstrong, Chair

South Kenai Peninsula Hospital Service Area Board

Introduced by: Mayor
Date: 01/17/23
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2023-008**

**A RESOLUTION ESTABLISHING THE FEDERAL CONGRESSIONAL PRIORITIES
LIST FOR THE KENAI PENINSULA BOROUGH FOR FISCAL YEAR 2024**

WHEREAS, the Kenai Peninsula Borough ("Borough") has capital projects that are qualified for submission to Alaska's U.S. Senate representatives for Congressionally Directed Spending requests as allowed under RULE XLIV of the Standing Rules of the Senate; and

WHEREAS, the Assembly finds it is in the best interest of the Borough to establish priorities for capital projects for Congressionally Directed Spending and submission to Senator Lisa Murkowski and Senator Dan Sullivan for their awareness of the Borough's request for financial assistance to achieve priority infrastructure needs;

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

SECTION 1. That the Kenai Peninsula Borough's Congressional Priorities List for Fiscal Year 2024 for Congressionally Direct Spending for important infrastructure needs in the Borough, as set forth and described on the project information statements that accompany this resolution, are hereby adopted. The adopted capital project priorities as listed in the memorandum accompanying this resolution and the project information statements are: the Seward Bear Creek Flood Service Flood Mitigation Projects, the South Peninsula Hospital's Site and Facility Rehabilitation Project, and the Central Peninsula Landfill's Gas Collection System Project

SECTION 2. That a copy of this resolution and all accompanying project information will be sent to Senator Lisa Murkowski and Senator Dan Sullivan.

SECTION 3. That this resolution is effective immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS
17TH DAY JANUARY, 2023.**

Brent Johnson, Assembly President

ATTEST:

Michele Turner, CMC, Acting Borough Clerk

Yes:

No:

Absent:

