

Introduced by: Administration
Date:
Action:
Vote: Yes - , No – , Excused -

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2017-02**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL
BOARD OF DIRECTORS SUPPORTING KPB ORDINANCE 2016-19-__ AUTHORIZING A \$2,000,000
INTERGOVERNMENTAL LOAN FROM THE GENERAL FUND AND APPROPRIATING FUNDS TO THE
SOUTH PENINSULA HOSPITAL SERVICE AREA TO PROVIDE INTERIM FINANCING FOR
IMPROVEMENTS TO THE HEATING, VENTILATING AND AIR CONDITIONING SYSTEM
AT SOUTH PENINSULA HOSPITAL**

WHEREAS, South Kenai Peninsula Hospital Service Area (“SKPHSA”) voters at the October 4, 2016 election approved the issuance of general obligation bonds for improvements at South Peninsula Hospital; and

WHEREAS, bond proceeds are not expected to be available until sometime this spring; and

WHEREAS, the heating, ventilating and air conditioning SYSTEM (“HVAC”) system at South Peninsula Hospital is over 40 years old and is in need of replacement and part of the improvements planned to be completed with the bond proceeds; and

WHEREAS, in order to allow for this project to be awarded prior to the issuance and appropriation of the bond proceeds, and for construction to start this winter, the borough administration is requesting that an additional intergovernmental loan of \$2,000,000 be provided to SKPHSA; and

WHEREAS, the intergovernmental loan would be paid off from bond proceeds when the SKPHSA General Obligation Bonds proceeds are received and appropriated; and

WHEREAS, at its meeting of August 16, 2016, the South Peninsula Hospital, Inc. Board of Directors Finance Committee recommended supporting KPB Ordinance 2016-19-02 authorizing a \$2,800,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for expansion of the Homer Medical Center and declaring the official intent to issue bonds with the full operating board support voted on at the Special Operating Board meeting on August 16, 2016; and

WHEREAS, at its meeting of August 11, 2016, the SKPHSA Board recommended supporting KPB Ordinance 2016-19-02 authorizing a \$2,800,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for expansion of the Homer Medical Center and declaring the official intent to issue bonds;

WHEREAS, at its meeting of January 17, 2017, the South Peninsula Hospital Inc. Finance Committee recommended supporting KPB Ordinance 2016-19-__ authorizing a \$2,000,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for improvements to the Heating, Ventilating and Air Conditioning System at South Peninsula Hospital; and

WHEREAS, at its meeting of January 12, 2017, the South Kenai Peninsula Hospital Service Area recommended supporting KPB Ordinance 2016-19-__ authorizing a \$2,000,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for improvements to the Heating, Ventilating and Air Conditioning System at South Peninsula Hospital; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:

1. That the South Peninsula Hospital, Inc. Board of Directors recommends support for KPB Ordinance 2016-19-__ authorizing a \$2,000,000 Intergovernmental Loan is authorized for the SKPHSA and shall be accounted for in the General Fund, account 100.00000.00000.14121, and appropriated in the SPH Capital Project Fund to account 491.81210.16HVC.4999;
2. That the SKPHSA intergovernmental loan from the General Fund shall be reimbursed from bond proceeds when the bonds are received. The SKPHSA shall pay interest on the loan computed at the annual rate equal to prime in effect on the date of transaction. The loan is due in full when the bonds proceeds are received.
3. That \$2.8 million intergovernmental loan previously authorized by KPB ordinance 2016-19-02 is appropriated in the SPH Capital Project Fund to account 491.81210.16HMS.49999.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 25th DAY of JANUARY 2017.

ATTEST:

Matt Hambrick, Board Vice-President

Bernadette Wilson, Secretary