

Kenai Peninsula Borough  
Office of the Borough Clerk

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**MEMORANDUM**

**TO:** Brent Johnson, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Johni Blankenship, Borough Clerk (JB)

**FROM:** Michele Turner, Deputy Borough Clerk (MT)

**DATE:** March 1, 2022

**RE:** Ordinance 2021-19-38: 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 (Mayor

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Per KPB 22.40.050(F), the borough clerk, or the clerk's designee in his or her absence, has the authority to revise pending resolutions and ordinances prior to assembly action, by filling in any blanks in the legislation stating advisory board recommendations made concerning the legislation. This serves as our memorandum to advise the assembly of same.

Conforming to the advisory board's actions, the last Whereas clause have been updated to read:

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

Thank you.

**SOUTH KENAI PENINSULA HOSPITAL  
SERVICE AREA BOARD**

**RESOLUTION 2022-01**

**A Resolution of the South Kenai Peninsula Hospital  
Service Area Board  
Recommending Approval of Capital Repairs of the Property Located at  
203 West Pioneer Avenue, Homer, AK 99603**

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**WHEREAS**, the South Peninsula Hospital, Inc. (“SPH, Inc.”) operates the South Peninsula Hospital (“SPH”) pursuant to an Operating Agreement with the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (“SKPHSA”); and

**WHEREAS**, South Peninsula Hospital, Inc. (SPH) recently purchased a medical office building located at 203 West Pioneer Avenue, Homer, AK 99603, KPB Parcel number: 17514304 which houses its Home Health Department, Functional Medicine, Surgical Clinic, and Staff Training room, and

**WHEREAS**, that building 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**, SPH Administration has obtained an estimate for the capital repairs required, 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 Kenai Peninsula Borough require that a formal Request for Proposal be issued for the aforementioned repairs; and

**WHEREAS**, South Peninsula Hospital, Inc. currently has \$10 million in Unobligated Plant Replacement and Expansion Funds; and

**WHEREAS**, SPH Administration would like to use approximately \$147,500 in Unobligated Plant Replacement and Expansion Funds and \$147,500 in SPH Operating Cash to pay for these capital repairs; and

**WHEREAS**, the repairs were reviewed and approved by the SPH Board of Directors Finance Committee on January 20, 2022; and

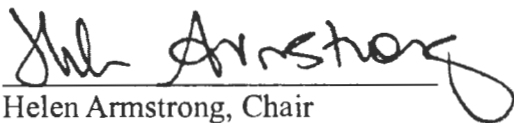
**WHEREAS**, the SPH, Inc. Board of Directors passed and adopted South Peninsula Hospital Board Resolution 2022-01 on January 26, 2022 to appropriate \$147,500 in Unobligated Plant Replacement and Expansion Funds and \$147,500 in SPH Operating Cash to pay for the capital repairs at 203 West Pioneer Avenue, Homer, AK 99603.

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

The South Kenai Peninsula Hospital Service Area Board recommends approval of the use of \$147,500 of unobligated Plant Replacement and Expansion Funds and \$147,500 in SPH Operating Cash to pay for the capital repairs at 203 West Pioneer Avenue, Homer, AK 99603.

**PASSED AND ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD AT ITS MEETING HELD ON THIS 10TH DAY OF FEBRUARY 2022.**

ATTEST:



Helen Armstrong, Chair  
South Kenai Peninsula Hospital Service Area Board  
February 10, 2022