



## KENAI PENINSULA BOROUGH

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MIKE NAVARRE  
BOROUGH MAYOR

### MEMORANDUM

**TO:** Dale Bagley, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Kenai Peninsula Borough Mayor *MP*

**FROM:** Craig Chapman, Finance Director *C Chapman*

**DATE:** August 6, 2015

**SUBJECT:** Ordinance 2015-19-09, An Ordinance Appropriating \$3,050,000 from the Central Peninsula Hospital Plant Replacement and Expansion Fund and Declaring the Official Intent to Issue Revenue Bonds in the Aggregate Principal Amount of Not to Exceed \$3,050,000 to Pay the Cost of Medical Equipment for the Specialty Clinic Building at Central Peninsula Hospital

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The assembly through resolution 2013-072, as amended by resolution 2014-008, authorized the issuance of revenue bonds in the not to exceed amount of \$43,000,000 for the construction of a Specialty Clinic Building (SCB) at Central Peninsula Hospital.

Proceeds from the first phase of the debt issuance were received on February 20, 2014 in the amount of \$34,999,563.45 and were appropriated through ordinance 2013-19-30.

Additional debt proceeds of \$3,200,000 were received on June 4, 2015 and appropriated through ordinance 2014-19-59.

The hospital has requested that the borough issue \$3,050,000 of the remaining authorized but unissued debt of \$4,800,437 to pay the cost of medical equipment for the Specialty Clinic Building.

Per discussion with the Bond Bank, the next bond issuance date is expected to be in November 2015. In order to not delay the purchase and installation of medical equipment at the SCB, this ordinance authorizes use of the Central Peninsula Hospital Plant Replacement and Expansion Fund for the purchase of the needed equipment. After the bonds are issued, the Central Peninsula Hospital Plant Replacement and Expansion Fund will be reimbursed.

This ordinance will also satisfy the requirement to declare the official intent to issue the bonds and enable such costs to be included in the cost of the project under the Internal Revenue Code.

FINANCE DEPARTMENT  
ACCOUNT / FUNDS VERIFIED

Acct. No. 490.20602

Amount \$3,050,000

By: AP Date: 8/6/15