



KENAI PENINSULA BOROUGH

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

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

FROM: Colette Thompson, Borough Attorney *CT*
Brandi Harbaugh, Acting Finance Director *BH*

DATE: August 24, 2017

SUBJECT: Ordinance 2017- 27, Amending Ordinance 2016-19-12 Which, Among Other Things, Authorized the Issuance of Not to Exceed \$28,955,000 of Central Kenai Peninsula Hospital Service Area Hospital Revenue Bonds (Mayor)

The assembly adopted ordinance 2016-19-12 on October 25, 2016, which appropriated \$10,000,000 from the Central Peninsula Hospital Plant Replacement and Expansion Fund for the design and construction of the Obstetrics and Cardiac Catheterization Laboratory Project ("Project") at Central Peninsula Hospital and provided for the issuance of revenue bonds not to exceed \$28,955,000 ("Bonds") to finance a portion of the cost of the Project. This ordinance seeks assembly approval of amendments to that ordinance to clarify the status and subordinate nature of the bonds and amend definitions as they relate to "finance director", "net revenues", "operating expenses" and "Senior Lien Bonds". It also authorizes the mayor to sign an agreement which is required by the ordinance to set forth terms and conditions regarding payment of debt service on the bonds and use of the hospital to satisfy the safe harbor rules for governmental tax exempt bonds.

The recommendations of the Central Peninsula General Hospital, Inc. board of directors will be provided to the assembly prior to the final hearing on this ordinance.