

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*

DATE: March 6, 2018

RE: Ordinance 2017-19-22, Appropriating \$443,750.00 from the CPGH, Inc. Plant Replacement and Expansion Fund for the Fiscal Year 2018 Semi-Annual Debt Payment on the 2003 Central Kenai Peninsula Hospital Service Area Refunded General Obligation Bonds (Mayor)

Section 16 of the Operating Agreement between the Kenai Peninsula Borough and Central Peninsula General Hospital, Inc. ("CPGH, Inc.") requires that any transfer in or out of the Plant Replacement and Expansion Fund ("PREF") shall first be considered by the CPGH, Inc. board and its recommendation shall be forwarded to the assembly for its consideration.

During the fiscal year 2018 budgetary process, the semi-annual debt payment of \$443,750.00 for the 2003 Central Kenai Peninsula Hospital Service Area refunded general obligation bonds was appropriated in the Central Kenai Peninsula Hospital Service Area Debt Fund, to be funded by local revenues provided by CPGH, Inc. This ordinance does not appropriate the debt payment but does appropriate PREF funds as the funding source for the debt payment.

Current funds in the unobligated Central Peninsula Hospital Plant Replacement and Expansion Fund total \$20,111,938 and are sufficient to support funding of the debt payment.

This matter is scheduled to come before the CPGH, Inc. board at its March 26, 2018 meeting. Recommendations of the CPGH, Inc. board will be provided to the assembly prior to the hearing on this ordinance.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>490.00000.00000.20602</u>
Amount:	<u>\$ 443,750.00</u>
By: <u>pp</u>	Date: <u>3/2/18</u>