

Kenai Peninsula Borough

Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Finance Director *BH*
John Hedges, Purchasing & Contracting Director *JH*

DATE: March 24, 2022

RE: Ordinance 2021-19 41, Appropriating Funds from the South Peninsula Hospital Service Area Fund Balance for Purchase of Replacement Pulmonary Function Diagnostic Equipment (Mayor)

The Kenai Peninsula Borough (Borough) owns and provides for the operation of South Peninsula Hospital (SPH) through the South Kenai Peninsula Hospital Service Area.

South Peninsula Hospital Inc. (SPHI) operates the hospital and other medical facilities by way of an Operating Agreement with the Borough.

In March 2022, the borough received notice from SPHI that its Pulmonary Function Diagnostic (PFT) equipment will no longer be usable after May 2022 and the replacement unit has a lead-time of 90 days to purchase. Purchase of the PFT equipment was approved by the Hospital Service Area Board as part of the funded FY2023 Capital Projects list. However, due to the lead-time, SPHI is requesting that the PFT equipment be purchased now rather than in FY2023.

This ordinance appropriates funds of \$86,930 to be transferred from the South Peninsula Hospital Service Area Fund fund balance to the South Peninsula Hospital Service Area Capital Project Fund for purchase of the equipment.

Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Account:	<u>602.27910</u>
Amount:	<u>\$ 86,930.00</u>
By: <i>CP</i>	Date: <u>3/18/2022</u>