

Kenai Peninsula Borough
Purchasing & Contracting Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor *CP*
Brandi Harbaugh, Finance Director *BH*

FROM: John Hedges, Purchasing & Contracting Director *JH*

DATE: July 23, 2020

RE: Ordinance 2020-19-03 Appropriating Funds from the South Peninsula Hospital Plant Replacement and Expansion Fund for the Homer Medical Clinic Roof Replacement (Mayor)

In 2017, Ordinance 2016-19-41 appropriated general obligation bond funds for the renovation of the Homer Medical Clinic facility operated by South Peninsula Hospital. A renovation and expansion project was completed in 2017. At that time a priority for replacement of the existing facility roof was set aside due to the lack of funding for its completion. Since that time the older portion of the facility's roof has reached its end of useful life and is in need of replacement. Utilizing the remaining bond funds, a design project has been initiated with the intent of completing the roof replacement project before the end of the 2020 construction season.

The total project construction cost is estimated at \$360,000. Due to the degraded condition of the existing roof it is in the best interest of the borough to have the roof replacement completed as soon as possible.

This ordinance appropriates funds of \$206,190.95 from the fund 601 South Peninsula Hospital legacy Plant Replacement and Expansion Fund and \$153,809.05 from the fund 491 South Peninsula Hospital Plant Replacement and Expansion Fund.

In years prior to 2017, per the operating agreement between South Peninsula Hospital Inc. and the Kenai Peninsula Borough, funds in excess of 90 days operating cash were deposited and held in the service areas operating fund. This ordinance will liquidate the remaining PREF funds in fund 601 and any future PREF funds will be held in the South Peninsula Hospital Capital Projects Fund, consistent with current operations.

Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No. <u>601.20601</u>	Amount: <u>\$206,190.95</u>
Acct. No. <u>491.20602</u>	Amount: <u>\$153,809.05</u>
By: <u><i>CP</i></u>	Date: <u>7/22/2020</u>