

Kenai Peninsula Borough  
Finance Department

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**MEMORANDUM**

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

**THRU:** Charlie Pierce, Mayor *CP*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** March 22, 2018

**RE:** Ordinance 2017-19-23, Appropriating \$599,102.29 from the CPGH, Inc. Plant Replacement and Expansion Fund for the Fiscal Year 2018 Semi-Annual Debt Payment on the 2017 Central Kenai Peninsula Hospital Service Area Revenue Bonds (Mayor)

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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.

In the fall of 2017, \$28,955,000 of Central Kenai Peninsula Hospital Service Area ("CKPHSA") revenue bonds were issued. Due to the timing of the bond sale, a debt payment of \$599,102.29 would become due in June 2018. Since the bond sale was not originally anticipated to occur prior to January 2018 a debt payment was not appropriated in the CKPHSA Debt Service Fund during the fiscal year 2018 annual budgetary process.

Current funds in the unobligated CPGH, Inc. PREF total \$20,111,938 and are sufficient to support funding the debt payment.

This matter is scheduled to come before the CPGH, Inc. board at its March 26, 2018 meeting. Recommendations of the 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>\$ 599,102.29</u>
By: <u>pp</u>	Date: <u>3/16/18</u>