

RESOLUTION 2023-33

**A RESOLUTION RECOMMENDING THE BOROUGH ASSEMBLY’S APPROVAL OF
AN INCREASE TO THE LIMITATION ON THE TOTAL CUMULATIVE ANNUAL COST
OF REAL PROPERTY LEASES IN WHICH CPGH, INC. IS THE SOLE LESSEE**

1. **WHEREAS**, The Kenai Peninsula Borough has entered into an Operating Agreement with Central Peninsula General Hospital Inc. (“CPGH, Inc”) for the management and operation of Central Peninsula Hospital and other Medical Facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the Service Area residents; and,
2. **WHEREAS**, Under the Operating Agreement, Section 14, Paragraph (b), the total cumulative annual cost of such real property leases shall not exceed \$650,000 without prior approval by the Borough Assembly by resolution of any increases above that limitation; and,
3. **WHEREAS**, Central Peninsula Hospital is seeking to lease space for the new Central Peninsula Mental Health clinic, which is anticipated to cost \$155,000 per year, which when combined with our current leases of \$646,572 would bring us over our annual lease limit of \$650,000; and,
4. **WHEREAS**, Central Peninsula Hospital will continue to have space needs as we expand our Physician Clinic service lines over the next several years. CPGH, Inc. Administration has recommended an increase of \$550,000 to the limitation on the total cumulative annual cost of real property leases in which CPGH, Inc. is the sole lessee, to the revised limitation of \$1,200,000 under the Operating Agreement, Section 14, Paragraph (b). The CPGH, Inc. Administration and Board of Directors believe this is in the best interest of the Borough’s Service Area and the residents that CPGH, Inc. serves;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:

SECTION 1. The CPGH, Inc. Board of Directors approves the recommendation of CPGH, Inc. Administration, and determines that an increase of \$550,000 to the limitation on the total cumulative annual cost of real property leases in which CPGH, Inc. is the sole lessee, to the revised limitation of \$1,200,000 under the Operating Agreement, Section 14, Paragraph (b), and is in the best interest of the Borough’s Service Area and the residents that CPGH, Inc. serves.

SECTION 2. The CPGH, Inc. Board of Directors requests that the Borough Assembly, in the best interest of the Borough’s Service Area and the residents that CPGH, Inc. serves, approve by resolution an increase of the total cumulative annual cost of real property leases in which CPGH, Inc. is the sole lessee, to a revised limitation of \$1,200,000 under the Operating Agreement, Section 14, Paragraph (b).

SECTION 3. This resolution takes effect immediately upon its adoption.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 8/31/23 Board meeting.

Dated: 8/31/23

Carrie Couey, Secretary/Treasurer
CPGH, Inc. Board of Directors