

Kenai Peninsula Borough

Purchasing & Contracting Department

MEMORANDUM

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

THRU: Peter Micciche, Mayor *PAM*
Brandi Harbaugh, Finance Director *BH*

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

DATE: March 23, 2023

RE: Ordinance 2022-19-58, Appropriating Local Funds from South Peninsula Hospital, Inc. to Complete the Pioneer Avenue Roof Replacement and Modifications of the Roof Drainage System (Mayor)

The Kenai Peninsula Borough ("Borough") has entered into an Operating Agreement with South Peninsula Hospital, Inc. ("SPHI") for operation of the South Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the service area residents.

Ordinance 2021-19-38, appropriated \$147,500 of unobligated Plant Replacement and Expansion Funds and \$147,500 of SPH operating cash immediately following the purchase of the 203 W. Pioneer property.

The Borough's Purchasing and Contracting Department completed a design to replace the roof and address issues associated with the roof drainage system. Following the completion of the design effort an update to the project cost estimate was completed and identified the need for additional funding necessary for the completion of the work.

The project currently has \$147,500 of remaining SPHI operating funds available and approximately \$70,080 of the funds originally appropriated from the PREF.

The total funds necessary for the completion of the project is currently estimated at \$375,000 which requires an additional appropriation of \$80,000 from SPHI operating funds.

The SPH Inc. Operating Board will consider the use of \$80,000 in SPHI operating funds at their March 22, 2023 meeting.

The South Kenai Peninsula Hospital Service Area Board will consider the use and appropriation of \$80,000 from SPHI operating funds at their April 12, 2023 meeting.

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The total funding for this project is as follows:

SPH Plant Replacement and Expansion Fund (PREF)	\$ 147,500
SPH Operational Funds (original appropriation)	147,500
SPH Operational Funds (additional appropriation)	<u>80,000</u>
Total	\$ <u>375,000</u>

Your consideration is appreciated

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>491.81210.22SPR.49999</u>	Amount: <u>\$70,080</u>
Acct. No. <u>SPH Hospital Inc.</u>	Amount: <u>\$227,500</u>
By: <u>OG</u>	Date: <u>3/23/2023</u>