

Introduced by: Mayor
Date: 05/02/23
Hearing: 05/16/23
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2022-19-71**

**AN ORDINANCE APPROPRIATING FUNDS FROM THE SOUTH PENINSULA
HOSPITAL PLANT REPLACEMENT AND EXPANSION FUND FOR UPGRADES TO
THE GENERATOR ANNUNCIATOR AND SWITCH GEAR AT SOUTH PENINSULA
HOSPITAL**

- WHEREAS,** 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; and
- WHEREAS,** Section 16, Finances, Paragraph (a) Operating Revenue, requires that, on a quarterly basis, SPHI "shall transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the South Peninsula Hospital Plant Replacement and Expansion Fund (PREF)”; and
- WHEREAS,** Section 16, Finances, Paragraph (b) Plant Replacement and Expansion Fund, of the Operating Agreement provides, “The PREF is a fund designated as a source of funding for major repairs and replacement of Medical Facilities; improvements, fixtures, and equipment for Medical Facilities; acquisition of property, improvements, fixtures and equipment related to operation of the Medical Facilities; and to replenish the operating reserves, as provided in paragraph 16.”; and
- WHEREAS,** South Peninsula Hospital Administration has identified the need to upgrade the annunciator and switch gears for the backup generators in order to meet current life safety codes and remedy an outstanding CMS (Centers for Medicare and Medicaid Service) citation.; and
- WHEREAS,** the cost of the repairs necessary to bring the existing system back into compliance is estimated at \$613,010; and
- WHEREAS,** the South Peninsula Hospital Unobligated Plant Replacement and Expansion Fund has a current balance of approximately \$6.5 million; and

WHEREAS, the SPHI Board, at its May 24, 2023 meeting, adopted a resolution requesting the use of PREF funds to provide funding for the improvements to the annunciator and switch gear for the backup generators project at South Peninsula Hospital; and

WHEREAS, the South Kenai Peninsula Hospital Service Area Board, at its May 11, 2023 meeting, recommended approval;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That funds in the amount of \$613,020 are appropriated from the SPH Plant, Replacement and Expansion Fund at Account 491.81210.23SHR.49999 to provide funding for the improvements to the switch gear and annunciator for the back-up generators project at South Peninsula Hospital.

SECTION 2. That the appropriations made in this ordinance are project length in nature and as such do not lapse at the end of any particular fiscal year.

SECTION 3. That this ordinance shall be effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE, 2023.


Brent Johnson, Assembly President

ATTEST:


Michele Turner, CMC, Acting Borough Clerk



Yes: Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson
No: None
Absent: None