

**SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA BOARD
RESOLUTION 2022-04**

A Resolution of the South Kenai Peninsula Hospital Service Area Board Recommending Approval of the South Peninsula Hospital, Inc. Board of Directors' Request of the Transfer of Cash from the Plant/Equipment Replacement and Expansion Fund to South Peninsula Hospital Operating Cash

WHEREAS, the Kenai Peninsula Borough (Borough) has entered into an Operating Agreement with South Peninsula Hospital, Inc. (SPHI) for the management and operation of SPHI and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the South Kenai Peninsula Hospital Service Area residents; and

WHEREAS, Section 16, Finances, Paragraph (a) Operating Revenue section of that agreement states that SPHI shall maintain an operating reserve of not more than ninety (90) days "cash on hand," and "If the cash on hand is less than ninety (90) days at any time, then SPHI may request that the Borough authorize the transfer of an amount from Plant/Equipment Replacement and Expansion Fund (PREF) to its operating reserve to maintain the operating reserve amount, by SPHI Board action," and

WHEREAS, SPHI has determined that the operating reserve as of February 28, 2022 is less than 90 days with (70) days "cash on hand." In order to reach 90 days, SPHI may request up to \$5,161,198 (20 days) in order to supplement operating reserves in accordance with the Operating Agreement; and

WHEREAS, SPHI Board of Directors requests that PREF funds in the amount of \$5,161,198 be paid from Borough Investment Funds as an appropriation to SPHI operating reserve via check or ACH transfer; and


WHEREAS, this resolution will be reviewed and expected to be approved at the SPHI Board of Directors Finance Committee meeting to be held on March 17, 2022.

WHEREAS, this resolution will be reviewed and expected to be approved by the SPHI Board of Directors on March 23, 2022.

NOW THEREFORE BE IT RESOLVED THAT:

The South Kenai Peninsula Hospital Service Area Board—assuming the above noted SPHI Finance Committee and Board of Directors approvals take place as anticipated—hereby respectfully recommends the approval of the South Peninsula Hospital, Inc. Board of Directors' request to transfer \$5,161,198 from the Plant/Equipment Replacement and Expansion Fund to South Peninsula Hospital, Inc. Operating Cash to restore operating cash to 90 days.

Adopted by the South Kenai Peninsula Hospital Service Area Board, March 10, 2022.



Helen Armstrong, Chair
South Kenai Peninsula Hospital Service Area Board