

RESOLUTION 2018-04

A RESOLUTION AUTHORIZING TRANSFER OF CASH IN EXCESS OF 90 DAYS CASH ON HAND FOR THE PERIOD ENDING DECEMBER 31, 2017, AND RECOMMENDING THE BOROUGH ASSEMBLY'S APPROVAL

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**, Section 16, Finances, Paragraph (a) Operating Revenue, requires that, on a quarterly basis, CPGH, Inc. "shall transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the Central Peninsula Hospital Plant Replacement and Expansion Fund (PREF);" and,
3. **WHEREAS**, CPGH, Inc. has determined that the operating reserve is in excess ninety (90) days "cash on hand" in the amount of \$5,121,308 (13.56 days) for the quarter ending December 31, 2017, which funds must be transferred for deposit into the PREF; and,
4. **WHEREAS**, Section 16, Finances, Paragraph (b), Plant Replacement and Expansion Fund, requires that any transfer in or out of the PREF shall first be considered by the CPGH, Inc. board and its recommendation shall be forwarded to the Assembly; and,
5. **WHEREAS**, Paragraph 1, Exhibit C, Memorandum of Agreement, requires CPGH, Inc. to notify the Borough Finance Director or designee of the date, method, and other necessary information to effectuate any deposit into the PREF; however, the date of transfer and deposit cannot occur until after the date of Assembly approval; and,
6. **WHEREAS**, the CPGH, inc. Board has considered the transfer in and deposit to the PREF in the amount of \$5,121,308 (13.56 days) for the quarter ending December 31, 2017;

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, pursuant to the Operating Agreement with the Kenai Peninsula Borough, Section 16, Finances, Paragraph (a) Operating Revenue, authorizes the transfer of \$5,121,308 (13.56 days) for the quarter ending December 31, 2017 for deposit into the Central Peninsula Hospital Plant Replacement and Expansion Fund (PREF), in order to reduce the operating reserve to 90 days cash on hand, with the date of the transfer of the funds to be pending the date of the Borough Assembly's approval in accordance with Section 16, Finances, Paragraph (b), Plant Replacement and Expansion Fund.

SECTION 2. The CPGH, Inc. Board of Directors, pursuant to Exhibit C, Memorandum of Agreement, authorizes the CPGH, Inc. Administration to notify the Borough Finance Director or

designee of the proposed date, method, and other necessary information to effectuate the transfer and deposit of the funds into the PREF, pending the Borough Assembly's approval.

SECTION 3. The CPGH, Inc. Board of Directors, pursuant to the Operating Agreement, Section 16, Finances, Paragraph (b), Plant Replacement and Expansion Fund, recommends the Borough Assembly's approval, so that the transfer and deposit into the PREF may be effectuated, in accordance with the Operating Agreement and Exhibit C, Memorandum of Agreement.

SECTION 4. 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 1/25/18 Board meeting.

Dated: 1/25/18



Irving Carlisle, Secretary/Treasurer
CPGH, Inc. Board of Directors