

# KENAI PENINSULA BOROUGH

## Kenai Peninsula Borough Assembly

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Dale Bagley, Assembly President  
Sue McClure, Vice President

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### MEMORANDUM

**TO:** Dale Bagley, Assembly President  
Kenai Peninsula Borough Assembly Members

**FROM:** Brent Johnson, Assembly Member *(B) for B. J.*

**DATE:** June 4, 2015

**RE:** Ordinance 2015-20, An Ordinance Amending the Common Boundary Between the Central Kenai Peninsula Hospital Service Area and the South Kenai Peninsula Hospital Service Area, KPB 16.08.010 and 16.24.010 (Johnson)

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The two hospital service areas were created in 1969, before Central Peninsula Hospital (CPH) in Soldotna opened. The common boundary between them passes next to Clam Gulch tower, which is not at the highway midpoint. The midpoint is 14½ miles to the south. It can be safely assumed that no one between the tower and the midpoint routinely uses South Peninsula Hospital (SPH). Why should they pay taxes to SPH when they use CPH?

Where should the dividing line between the hospital service areas be? About last November I asked the Ninilchik Emergency Services Board of Directors that question. They unofficially recommended Tim Avenue, which is about ten miles south of the midpoint. Tim Avenue has another advantage, it's on a township line. If that township line (between T2S and T3S) is chosen, the description would simply follow it from the west edge of the borough all the way to the east edge of the hospital service areas. But the Tim Avenue line would cost SPH a loss of about \$300,000 per year, and there is a tiny minority of people in Ninilchik who routinely use SPH.

A compromise would offer the highway midpoint, which is near Barbara Drive, about a mile and a half north of Ninilchik River Bridge. Barbara Drive is not near a township line. To avoid bisecting property parcels, a line near Barbara Drive would be complicated to describe. It is, however the line offered in this ordinance because it is in my opinion essential to bring some degree of fairness to property owners north of this point.

The question of where to draw a fair boundary line is complicated by the Ninilchik Traditional Council Community Clinic. That medical facility is used by residents even north of Barbara

Avenue. And that clinic would have had a difficult time to survive had not SPH offered to help. The hospital in Homer has "shared" doctors with the clinic. These doctors work part of the week in Ninilchik and part in Homer, with each entity paying for the doctor while he or she is at its facility.

I very much prefer the option Mayor Navarre has suggested, which would merge the two hospital service areas into one service area. In my opinion, that would reduce the mill rate for the entire SPH Service Area by at least 2 mills, while never raising the CPH mill rate by over 0.3 mills. I think both mill rates would soon be near zero, as the CPH mill rate is now. But the merger may take a few years and may not pass voter approval. That is the reason I'm bringing this ordinance forward. It is my hope that the public will offer testimony to help the assembly decide where the line should be.

Your consideration is appreciated.