

Introduced by: Mayor  
Date: 01/03/17  
Hearing: 01/17/17  
Action: Enacted as Amended  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2016-19-19**

**AN ORDINANCE AUTHORIZING A \$2,000,000 INTERGOVERNMENTAL LOAN FROM THE GENERAL FUND AND APPROPRIATING FUNDS TO THE SOUTH PENINSULA HOSPITAL SERVICE AREA TO PROVIDE INTERIM FINANCING FOR IMPROVEMENTS TO THE HEATING, VENTILATING AND AIR CONDITIONING SYSTEM AT SOUTH PENINSULA HOSPITAL**

**WHEREAS**, South Kenai Peninsula Hospital Service Area (“SKPHSA”) voters at the October 4, 2016 approved the issuance of general obligation bonds for improvements at South Peninsula Hospital; and

**WHEREAS**, bond proceeds are not expected to be available until sometime this spring; and

**WHEREAS**, the heating, ventilating and air conditioning (“HVAC”) system at South Peninsula Hospital is over 40 years old and is in need of replacement and part of the improvements planned to be completed with the bond proceeds; and

**WHEREAS**, in order to allow for construction to start in late winter, the borough administration is requesting that an intergovernmental loan of \$2,000,000 be provided to SKPHSA; and

**WHEREAS**, the intergovernmental loan would be paid off from bond proceeds when the SKPHSA General Obligation Bonds proceeds are received and appropriated; and

**WHEREAS**, at its meeting of January 17, 2017, the South Peninsula Hospital Inc. Finance Committee recommended approval; and

**WHEREAS**, the intergovernmental loan amount authorized by Ordinance 2016-19-02 of \$2.8 million and this ordinance in the amount of \$2 million shall be appropriated in the SPH Capital Project Fund;

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

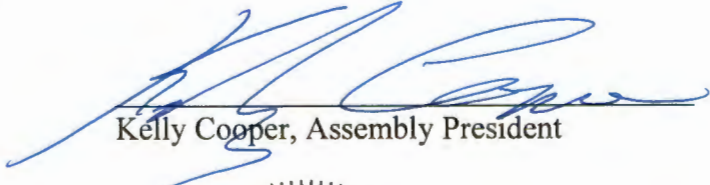
**SECTION 1.** That a \$2,000,000 intergovernmental loan is authorized for the SKPHSA and shall be accounted for in the General Fund, account 100.00000.00000.14121, and appropriated in the SPH Capital Project Fund to account 491.81210.16HVC.4999

**SECTION 2.** That the SKPHSA intergovernmental loan from the General Fund shall be reimbursed from bond proceeds when the bonds are received. The SKPHSA shall pay interest on the loan computed at the annual rate equal to prime in effect on the date of transaction. The loan is due in full when the bonds proceeds are received.


**SECTION 3.** That \$2.8 million intergovernmental loan previously authorized by KPB Ordinance 2016-19-02 is appropriated in the SPH Capital Project Fund to account 491.81210.16HMS.49999.

**SECTION 4.** That this ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF JANUARY, 2017.**

  
Kelly Cooper, Assembly President

ATTEST:

  
Johni Blankenship, MMC, Borough Clerk



Yes: Bagley, Dunne, Fischer, Gilman, Hibbert, Holmdahl, Ogle, Welles, Cooper

No: None

Absent: None