

RESOLUTION 2021-12

**A RESOLUTION AUTHORIZING TRANSFER OF CASH TO MAINTAIN 90 DAYS CASH ON HAND, 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**, Section 16, Finances, Paragraph (a) Operating Revenue, also allows that, "If the cash on hand is less than ninety (90) days at any time, then CPGH, Inc. may request that the Borough authorize the transfer of an amount from the PREF to its operating reserve to maintain the operating reserve amount, by CPGH, Inc. Board action"; and,
4. **WHEREAS**, CPGH, Inc. has determined that the operating reserve is below ninety (90) days "cash on hand" in the amount of \$17,008,123 (37.31 days), due to CPGH, Inc.'s repayment of advance Medicare funding on April 6, 2021; and,
5. **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,
6. **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 or withdrawal from the PREF; however, the date of transfer and deposit cannot occur until after the date of Assembly approval; and,
7. **WHEREAS**, the CPGH, Inc. Board has considered the request to transfer funds from the PREF in the amount of \$17,008,123 (37.31 days);

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 \$17,008,123 (37.31 days) for deposit into the CPGH, Inc. operating reserve from the Central Peninsula Hospital Plant Replacement and Expansion Fund

(PREF), in order to increase 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 of the funds from the PREF and deposit to the CPGH, Inc. operating reserve, 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 from the PREF and deposit by CPGH, Inc. 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 04/29/21 Board meeting.

Dated: 04/29/21



Carrie Couey, Secretary/Treasurer
CPGH, Inc. Board of Directors