

Introduced by:	Mayor
Date:	04/02/24
Action:	Adopted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2024-016**

**A RESOLUTION APPROVING AN INCREASE TO THE LIMITATION
ON THE TOTAL CUMULATIVE ANNUAL COST OF REAL PROPERTY
LEASES IN WHICH CPGH, INC. IS THE SOLE LESSEE AND AUTHORIZING
AN AMENDMENT TO THE OPERATING AGREEMENT**

- WHEREAS,** the Kenai Peninsula Borough (“KPB”), on behalf of Central Kenai Peninsula Hospital Service Area ("Service Area"), has entered into an Operating Agreement with Central Peninsula General Hospital, Inc. (“CPGH, Inc.”) for operation of Central Peninsula Hospital and other medical facilities (“CPH”), and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the Service Area residents; and
- WHEREAS,** under the Operating Agreement, Section 14, Paragraph (b), the total cumulative annual cost of such leases shall not exceed \$850,000 without prior approval of by the Assembly by resolution of any increases above that limitation; and
- WHEREAS,** Resolution 2023-063, adopted October 10, 2023, increased the total cumulative annual cost of real property leases by CPGH, Inc. to \$850,000; and
- WHEREAS,** CPGH, Inc. is seeking to lease space to relocate Rehabilitation Services from the Central Peninsula River Tower, which is anticipated to cost \$145,000 per year, which when combined with current leases of \$721,490 will exceed the annual lease limit of \$850,000; and
- WHEREAS,** CPH will continue to have space needs as it expands the Physician Clinic service lines and outpatient services over the next several years; and
- WHEREAS,** the CPGH, Inc. board, at its March 28, 2024, meeting, approved the recommendation of CPGH, Inc. administration and requested that the Assembly, in the best interests of the Service Area and the residents that CPH serves, approve an increase of the total cumulative annual cost for real property leases in which CPGH, Inc. is the sole lessee under the Operating Agreement, Paragraph (b) with a cap of \$1,000,000;

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

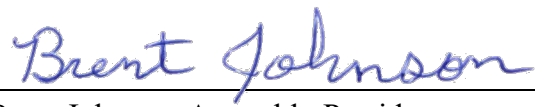
SECTION 1. That the Assembly finds that it is the best interests of the Service Area and the residents that CPH serves to approve an increase in the total cumulative annual cost of real property leases in which CPGH, Inc. is the sole lessee under the Operating Agreement, Paragraph 14(b).

SECTION 2. That the Assembly approves an increase of the total cumulative annual cost to the revised limitation of \$1,000,000 for real property leases in which CPGH, Inc. is the sole lessee under the Operating Agreement, Paragraph 14(b).


SECTION 3. That the Mayor, or designee, is authorized to execute a third amendment to the Operating Agreement with CPGH, Inc substantially in the form attached hereto and incorporated herein by reference.

SECTION 4. That this resolution shall be effective immediately.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF APRIL, 2024.


Brent Johnson, Assembly President

ATTEST:


Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Ecklund, Elam, Hibbert, Ribbens, Tunseth, Tupper, Johnson
No: None
Absent: None