

**SOUTH PENINSULA HOSPITAL  
BOARD RESOLUTION  
2016-12**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL  
BOARD OF DIRECTORS SUPPORTING KPB ORDINANCE 2016-19-02 AUTHORIZING A \$2,800,000  
INTERGOVERNMENTAL LOAN FROM THE GENERAL FUND AND APPROPRIATING FUNDS TO THE  
SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA TO PROVIDE INTERIM FINANCING FOR  
EXPANSION OF THE HOMER MEDICAL CENTER AND DECLARING THE OFFICIAL INTENT TO  
ISSUE BONDS**

**WHEREAS**, The Homer Medical Center was purchased by the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (SKPHSA) through Ordinance 2015-19-12; and

**WHEREAS**, KPB Ordinance 2015-19-12 also appropriated funds for the design of a 3,700 square foot addition; and

**WHEREAS**, during the design process, a steering committee made up of users of the Homer Medical Center determined that a facility of 5,700 square feet was necessary to address operational needs of the facility; and

**WHEREAS**, the SL&OA provides that the Borough may make capital improvements to the hospital and other medical facilities; and

**WHEREAS**, KPB Ordinance 2016-15 authorized a ballot proposition at the October 4, 2016 borough election for the issuance of not-to-exceed \$4,800,000 of General Obligation Bonds for capital improvements at South Peninsula "Hospital of which approximately \$2,800,000 is for the proposed addition to the Homer Medical Center; and

**WHEREAS**, SPH Resolution 2016-07 was approved by the SPH Board of Directors on May 25, 2016 in support of KPB Ordinance 2016-15; and

**WHEREAS**, in order to allow for construction to start this fall, the borough administration is requesting that an intergovernmental loan of \$2,800,000 be provided to SKPHSA; and

**WHEREAS**, the intergovernmental loan would be paid off from bond proceeds if the issuance of SKPHSA General Obligation Bonds are approved by the service area voters at the October 4, 2016 borough election; and

**WHEREAS**, if the SKPHSA General Obligation Bonds are not approved by the service area voters at the October 4, 2016 borough election, annual debt service payments to the borough's General Fund would be approximately \$333,000; and

**WHEREAS**, at its meeting of August 16, 2016, the South Peninsula Hospital, Inc. Board of Directors Finance Committee recommended supporting KPB Ordinance 2016-19-02 authorizing a \$2,800,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for expansion of the Homer Medical Center and declaring the official intent to issue bonds with the full operating board support voted on at the Special Operating Board meeting on August 16, 2016; and

**WHEREAS**, at its meeting of August 11, 2016, the SKPHSA Board recommended supporting KPB Ordinance 2016-19-02 authorizing a \$2,800,000 Intergovernmental Loan from the General Fund and appropriating funds to the SKPHSA to provide interim financing for expansion of the Homer Medical Center and declaring the official intent to issue bonds;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:**

1. That the South Peninsula Hospital, Inc. Board of Directors recommends support for KPB Ordinance 2016-19-02 authorizing a \$2,800,000 Intergovernmental Loan from the General Fund and Appropriating Funds to the SKPHSA to provide Interim Financing for Expansion of the Homer Medical Center and Declaring the Official Intent to Issue Bonds;
2. That the SKPHSA intergovernmental loan from the Borough General Fund shall be reimbursed from bond proceeds if the issuance of bonds are approved by the voters of the South Kenai Peninsula Hospital service Area at the October 4, 2016 borough election, and if not approved by the voters, then SKPHSA shall pay the outstanding balance of the loan in ten (10) equal installments due on the anniversary of the transaction date subject to the annual appropriation and availability of funds. Each payment shall include principle and interest computed at the annual rate equal to the prime rate in effect on the date of transaction. The loan is due in full on or before ten years from the date of the loan. All payments are subject to the appropriation and availability of funds.
3. That the South Peninsula Hospital, Inc. Board of Directors will forward this resolution as support of the Kenai Peninsula Borough Ordinance 2016-19-02 on to the KPB Administration.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 16th DAY of AUGUST, 2016.**

ATTEST:

  
Julie Woodworth, Board Vice-President

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Bernadette Wilson, Secretary