



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.kpb.us

**CHARLIE PIERCE
BOROUGH MAYOR**

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Brandi Harbaugh, Acting Finance Director *BH*

DATE: November 8, 2017

SUBJECT: Ordinance 2017-19-11, Appropriating Revenue Bond Proceeds and Authorizing the Use of \$3,153,200 from the \$10,000,000, that was Appropriated from the Central Peninsula Hospital Plant Replacement and Expansion Fund for the Design and Construction of the Obstetrics Facility, Cardiac Catheterization Laboratory and Related Projects at Central Peninsula Hospital (Mayor)

As part of its long term capital plan, Central Peninsula General Hospital, Inc. ("CPH") has identified a need for a new obstetrics and cardiac catheterization laboratory ("OB/cath lab") at the hospital. The Obstetrics and Cardiac Catheterization Project would consist of a building of approximately 30,000 gross square feet that provides obstetric services with a C-section room, five labor/delivery/recovery rooms, and four postpartum rooms; and, a cardiac catheterization lab with six pre/post-operative rooms, three new intensive care patient rooms, site improvements to accommodate increased parking, a new heated helipad and improved truck delivery area; and, full or partial remodel and/or replacement of areas impacted by the construction including pre-operative clinic, physical rehabilitation, cardiopulmonary, pharmacy, outpatient lab, dietary, and several offices. This is Phase VI of a plan that was developed in 2003 and updated in 2006, 2009, and 2012. The project is estimated to cost approximately \$38,955,000. Funding will be provided by the CPH Plant Replacement Expansion Fund ("PREF") in the amount of \$10,000,000 and issuance of revenue bonds in the amount of \$28,955,000.

In September 2016, ordinance 2016-19-12, later amended by ordinance 2017-27, appropriated \$10,000,000 from the CPH PREF and authorized the issuance of debt in an amount not to exceed \$28,955,000 for the design and construction of the OB/cath lab and related projects at CPH.

Of the \$10,000,000 appropriated through ordinance 2016-19-12, \$6,846,800 has been authorized for design, site electrical feed, Vine Street utility relocation, helipad, support services building

replacement and site work including parking lot improvements and paving through ordinances 2016-19-12 and 2016-19-22.

The revenue bonds authorized by ordinances 2016-19-12 and 2017-27 will be sold November 14, 2017 and proceeds are expected to be received November 29, 2017. This ordinance appropriates the bond proceeds and authorizes the use of the remaining \$3,153,200 from the PREF funds previously appropriated but restricted for use until the bonds were issued for the design and construction of the OP/cath lab and related projects at CPH.

**FINANCE DEPARTMENT
FUNDS/ACCOUNT VERIFIED**

<u>Acct. No:</u>	<u>Amount</u>
490.81110.17OBL.49999	\$ n/a
490.81110.18CPH.49999	\$ n/a
490.20603	\$ 3,153,200.00

By: pr

Date: 11/6/17