Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Brent Hibbert, Assembly President
            Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Borough Mayor $\mathcal{CP}$

FROM: Brandi Harbaugh, Finance Director BH

DATE: May 6, 2021

RE: Ordinance 2020 -19- 33, Appropriating Funding from the Central
            Peninsula Hospital Plant Replacement and Expansion Fund to Replenish
            Central Peninsula General Hospital, Inc.'s 90 Days Cash on Hand
            (Mayor)

On Monday May 3, 2021, Central Peninsula General Hospital, Inc. "CPGH Inc." provided a request, to transfer $17,008,123 from the Central Peninsula Hospital Plant Replacement and Expansion Fund "PREF" to the CPGH, Inc. operating reserve to bring the current balance within the allowable 90 day cash on hand.

The Kenai Peninsula Borough has entered into an Operating Agreement with CPGH, Inc. for operation of Central Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis, in order to ensure the continued availability to the service area residents. Section 16, Finances, Paragraph (a) Operating Revenue, 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."

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 for consideration.

CPGH, Inc. has determined that as of May 3, 2021, the operating reserve is below 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 is requesting the transfer be effective immediately.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	490.20602
Amount	$17,008,123
By: *PP*	Date: 5/6/2021