

Introduced by:	Mayor @ Request of CPGH, Inc.
Date:	12/08/98
Hearing:	01/05/99
Action:	Enacted
Vote:	9 yes, 0 No

**KENAI PENINSULA BOROUGH
ORDINANCE 98-75**

**AN ORDINANCE APPROVING THE LEASE-PURCHASE OF A MAGNETIC
RESONANCE IMAGING (MRI) SYSTEM FOR THE CENTRAL PENINSULA
GENERAL HOSPITAL AT A COST NOT TO EXCEED \$1.45 MILLION AND
AUTHORIZING TRANSFER OF PREVIOUSLY APPROPRIATED SERVICE AREA
FUNDS FOR THE FISCAL YEAR 1998-99 LEASE PAYMENTS**

- WHEREAS,** use of magnetic resonance imaging (MRI) equipment for diagnostic purposes has become a routine practice of the medical industry; and
- WHEREAS,** residents of the Kenai Peninsula Borough must travel to Anchorage, or other locations outside of the borough, in order to access MRI diagnostic equipment because there is no MRI equipment currently in service on the Kenai Peninsula; and
- WHEREAS,** there is currently sufficient local need to economically justify the acquisition and operation of MRI equipment on the Kenai Peninsula; and
- WHEREAS,** there are two radiologists on staff at the Central Peninsula General Hospital who are qualified to interpret MRI exams; and
- WHEREAS,** CPGH, Inc. has solicited and received proposals for the acquisition and installation of an MRI at Central Peninsula General Hospital from three potential vendors recognized in the industry, and are recommending acceptance of the proposal submitted by Picker International for an amount not to exceed \$1,450,000; and
- WHEREAS,** the Central Peninsula General Hospital Inc. Board of Directors is requesting that the assembly approve the lease-purchase of the MRI system in order to take advantage of favorable interest rates currently available and so that hospital Plant Expansion and Replacement Fund moneys can be retained for other necessary capital improvement projects; and
- WHEREAS,** the assembly previously appropriated \$200,000 for costs associated with siting an MRI at CPGH and these funds are available to make lease payments during the balance of fiscal year 1998-99; and

WHEREAS, there has been presented to the Borough the form of a Financing Lease (the "Lease") for the property, and it appears that such instrument, which now is before the Borough, is an appropriate instrument for the purpose intended.

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

SECTION 1. That the assembly approves the lease-purchase of a Magnetic Resonance Imaging (MRI) system for the Central Peninsula General Hospital (CPGH).

SECTION 2. That the Mayor or his designee is authorized to enter into a contract with Picker International for the purchase and installation of an MRI at the CPGH for a capital cost not to exceed \$1,450,000.

SECTION 3. That the form and content of the lease hereby are in all respects authorized, approved and confirmed, and the Mayor is authorized, empowered and directed to execute and deliver said document to the counterparty for and on behalf of the Borough in substantially the form and content now before this meeting, but with such changes, modifications, additions and deletions therein as shall to him seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the approval of any and all changes, modifications, additions or deletions therein from the form and content of the said document now before this meeting, and that, from and after the execution and delivery of the said documents, the Mayor, the Finance Director and the Clerk each is hereby authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the said document as executed.

SECTION 4. That the Mayor is authorized to enter into the Lease with the financial institution offering the lowest net present value cost of financing, as determined through a formal competitive selection process.

SECTION 5. That the Lease is hereby designated as a "qualified tax exempt obligation" in accordance with section 265 (b) (3) of the Code, and the Borough hereby covenants that it shall not issue during the calendar year 1999 more than \$10,000,000 in aggregate principal amount of tax exempt obligations other than tax exempt obligations described in Section 265 (b) (3) © (ii) of the Code.

SECTION 6. That the Mayor is authorized to transfer up to \$200,000 from the amount previously appropriated in account 600-811011-49999 for MRI siting costs, to accounts 600-811010-44010 and 600-811010-44020 lease principal and interest payments in fiscal year 1998-99.

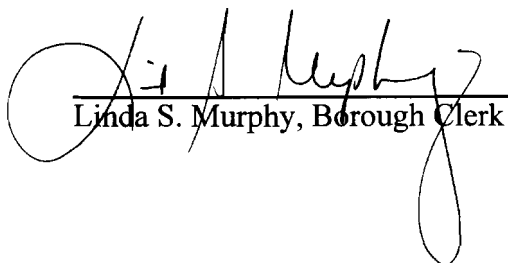
SECTION 7. That this ordinance takes effect immediately upon enactment.

ENACTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS 5TH DAY OF JANUARY, 1999.



Ronald Wm. Drathman, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

