

MEMORANDUM

To: Grace Merkes, Assembly President
Members, Kenai Peninsula Borough Assembly

Thru: John J. Williams, Mayor

From: Craig Chapman, Finance Director

Date: March 20, 2008

Subject: Ordinance 2007-19-43, Appropriating \$401,750 in matching funds for receipt of a grant from the Denali Commission for replacement and expansion of the Serenity House Treatment Center

The attached ordinance appropriates \$401,750 from the Central Peninsula General Hospital Plant Replacement and Expansion Fund for matching funds necessary to accept a grant from the Denali Commission for replacement and expansion of the Serenity House Treatment Center.

Central Peninsula General Hospital, Inc. (CPGH) adopted CPGH Resolution 2008-17 authorizing the replacement and expansion of Serenity House Treatment Center. This was in response to an increasing need for a slightly larger facility that provides alcohol and chemical dependency treatment. The current facility does not meet the full needs of the community and the current facility would require a substantial investment to remodel and comply with the Americans with Disabilities Act.

Multiple options for the future of the program have been reviewed and a potential site and facility that would accommodate expanding the program to 10 to 12 beds at a cost significantly less than new construction has been identified. The total cost of the project is estimated to be \$973,500.

In support of this project, CPGH applied for various grants, one of which was from the Denali Commission, which awarded a grant in the amount of \$486,750 contingent upon matching fund being made available.

CPGH has received a grant from the State of Alaska, Department of Health and Social Services in the amount of \$35,000 and has a commitment from the Central Peninsula Health Foundation in the amount of \$50,000 that will be used as partial match. Subject to assembly approval, the balance for the necessary match funds of \$401,750 will be provided from the CPGH Plant

Expansion and Replacement Fund, which was authorized by the CPGH Inc., board at its January 31, 2008 meeting. At its February 18, 2008 meeting, the Central Peninsula Hospital Service Area board supported the expansion of Serenity House Treatment Center.

Shortened hearing has been requested on this ordinance. The granting agency has requested that matching funds be made available by May 1, 2008. Under normal hearing guidelines, this ordinance would not be scheduled for final hearing until May 6, 2008.

FINANCE DEPARTMENT - FUNDS VERIFIED AMOUNT: \$	
Account:	_____
By: _____	Date: _____