

MEMORANDUM

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

THRU: John J. Williams, Mayor

FROM: Craig Chapman, Finance Director

DATE: August 21, 2008

SUBJECT: Ordinance 2008-19-19, appropriating \$120,000 from South Kenai Peninsula Hospital Service Area Capital Project Fund for the purchase of several hospital equipment items

South Peninsula Hospital has identified the need to purchase three pieces of equipment totaling \$120,000. The need for these items came about after the FY2009 budget was approved and are as follows:

- Anesthesia Monitor, \$16,000
- Sleep Lab Equipment, \$30,000
- Radiology Satellite Equipment, \$74,000

Based upon an analysis completed by hospital staff, the purchase of this equipment will increase revenues, decrease operating expenses, generate positive cash flow, and provide better service to the residents of the Service Area.

The service area board at its August 14, 2008, meeting authorized the use of service area funds for the purchase of these items.