



## KENAI PENINSULA BOROUGH

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**JOHN J. WILLIAMS**  
MAYOR

### MEMORANDUM

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

**THRU:** John J. Williams, Borough Mayor

**FROM:** Craig Chapman, Finance Director

**DATE:** October 2, 2008

**SUBJECT:** Ordinance 2008-19-25, amending the FY2009 operating and capital budgets of Central Kenai Peninsula Hospital Service Area to reflect changes to the Central Kenai Peninsula Hospital Service Area Capital Plan

Due to the rapid changing healthcare environment and grants that have been received, the capital needs of Central Peninsula Hospital (the hospital) have changed since the hospital submitted its FY2009 capital plan to the Central Kenai Peninsula Hospital Service Area (the Service Area) in December 2007.

The hospital administration has reassessed their capital plan and requested that a number of changes be made to the current plan, which the hospital operating board approved at its August 28, 2008 meeting. These changes include the following:

- Cancellation of project 490.81111.09CH1.48516, digital mammography in the amount of \$640,000, which was funded in June 2008 with a combination of grant and plant expansion and replacement funds.
- Cancellation of project 490.81111.09CH2.48516, digital radiographic fluoroscopic system in the amount of \$600,000, which hospital staff has recommended be postponed until a later date.
- Cancellation of project 490.81111.09CH4.48516, archive storage in the amount of \$269,400, to reflect the availability of storing archive information in Anchorage through the Alaska State Hospital Performance Improvement Network.

- Addition of project 490.81111.09CH7.48516, code blue system upgrade and standardization in the amount of \$175,000, replacement of nurse call system in OB, overflow, imaging and other areas which will allow for integration into the current Hill Rom system.
- Addition of project 490.81111.09CH8.48516, MRI TIMS upgrade in the amount of \$475,000, which would increase the scanner life three to five years. It should be noted that if approved, this project would negate the need to upgrade the MRI from a 4 channel to an 8 channel that was approved in FY2008 under project number 490.81111.8CH14.48516 in the amount of \$350,000.

At its September 15, 2008, meeting, the Central Kenai Peninsula Hospital Service Area board approved the hospital's request for an amended capital plan.