



KENAI PENINSULA BOROUGH

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**DAVE CAREY
BOROUGH MAYOR**

MEMORANDUM

TO: Milli Martin, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: David R. Carey, Borough Mayor *A. Carey*

FROM: Craig Chapman, Finance Director *C. Chapman*

DATE: January 19, 2009

SUBJECT: Ordinance 2008-19-40, appropriating \$642,564 for the replacement of the River Pavilion heating and hot water system at Central Peninsula Hospital

When Ordinance 2008-19-40 was introduced, it was requested that 100 percent of the funding be provided by the Central Kenai Peninsula Hospital Service Area (CKPHSA). Although the CKPHSA has sufficient fund balance to appropriate funds for the replacement of the heating and hot water system at the River Pavilion, doing so would reduce the CKPHSA fund balance to approximately \$1,130,304, an amount less than the recommended minimum balance of \$1,300,684, as calculated by the Borough's fund balance policy. The current estimated fund balance for CKPHSA is \$1,772,868.

The administration requests that Ordinance 2008-19-40 be amended so that funds appropriated from the Service Area are limited to \$472,184 with the remaining balance of \$170,380 to be an appropriation from the Central Peninsula Hospital Plant, Replacement and Expansion Fund. Reducing the CKPHSA share of the funding to \$472,184 would result in a projected fund balance for CKPHSA of \$1,300,684.

The following changes are needed to Ordinance 2008-19-40 to implement this request:

► Amend the title as follows:

AN ORDINANCE APPROPRIATING \$642,564 [FROM THE CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA] FOR REPLACEMENT OF THE RIVER PAVILION HEATING AND HOT WATER SYSTEM AT CENTRAL PENINSULA HOSPITAL

► Amend Section 1 as follows:

SECTION 1. That the sum of [\$642, 564] \$472,184 is appropriated from the CKPHSA Operating Fund, fund balance to the CKPHSA Capital Project Fund, account 490.81110.9CH04.49999 for the replacement of the heating and hot water system at the River Pavilion; and

► Add a new Section 2 as follows:

SECTION 2. That the sum of \$170,380 is appropriated from the Central Peninsula Hospital Property Plant and Equipment Replacement Fund to account 490.81110.9CH04.49999 for the replacement of the heating and hot water system at the River Pavilion.

► Renumber Section 2 to Section 3

FINANCE DEPARTMENT FUNDS VERIFIED \$170,380	
ACT #	490,27900 FB
	600,27900 FB 472,184.
BY: <u>CSW</u>	DATE: <u>1/20/09</u>