



KENAI PENINSULA BOROUGH

Finance Department

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TO: Pete Sprague, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: David R. Carey, Mayor *DR Carey*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: June 21, 2010

SUBJECT: Ordinance 2010-19-01, Appropriating supplemental funding of \$450,000 for costs associated with housing the MRI machine at South Peninsula Hospital

Ordinance 2010-19-01 would increase by \$450,000 the funding available to pay for costs associated with constructing a facility to house the MRI machine at South Peninsula Hospital. This would bring the total funding to \$1,100,000 of which \$91,772 has been spent on design and project management, leaving \$1,008,228 to support the project. The revised cost of the remaining part of this project is estimated to be \$1,175,948, resulting in a projected funding shortfall of \$167,720.

As part of Ordinance 2009-19, \$1,800,000 was appropriated for purchase of a new MRI at South Peninsula Hospital. The hospital has signed a purchase agreement for \$1,620,000, resulting in \$180,000 being available to support other projects. The borough and hospital administrations are requesting that these funds be made available to support the construction of the facility to house the MRI.

Therefore, the following amendments are offered to Ordinance 2010-19-01:

- The title should be changed to have the following added at the end of the title:

AN ORDINANCE APPROPRIATING SUPPLEMENTAL FUNDING OF \$450,000 FOR COSTS ASSOCIATED WITH HOUSING THE MRI MACHINE AT SOUTH PENINSULA HOSPITAL AND TRANSFER \$180,000 IN UNENCUMBERED FUNDS FROM THE MRI EQUIPMENT PROJECT TO THE MRI FACILITY PROJECT

- Change the 2nd whereas as follows:

WHEREAS, based upon a design prepared by the borough's architect (RIM Architects), the construction firm on site (Jay-Brant General Contractors) estimated the cost to construct the building to be approximately [\$1,100,000] **\$986,134**; and

- Change the 3rd whereas as follows:

WHEREAS, the Capital Projects Department estimates that this project can be constructed for less than [\$1,000,000] **\$1,175,948**; and

- Add a new 6th whereas:

WHEREAS, the \$180,000 in unencumbered funds from the MRI equipment project, account number 491.81211.10SH2.48516, is available to support the facility to house the MRI;

- Renumber the second Section 2 to Section 4
- Add a new Section 3 as follows:

SECTION 3. That \$180,000 in unencumbered funds from MRI Equipment Purchase project, account 491.81211.10SH2.48516, is transferred to the MRI facility project and appropriated in account 401.81211.08SHB.49101, for cost associated with constructing a facility to house a new MRI at South Peninsula Hospital.