

Provided by Milli Martin @  
Finance Committee re: 02010-19-01  
July 6, 2010 R2010-061

Introduced by: Administration  
Date: 11/24/08  
Action: Adopted  
Vote: 7 Yes, 0 No, 2 Absent

**SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD  
RESOLUTION 09-02**

**A RESOLUTION OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD RECOMMENDING AND APPROVING THE USE OF SERVICE AREA FUND BALANCE IN THE AMOUNT OF \$400,000 FOR THE LOCAL MATCH NECESSARY FOR THE DENALI COMMISSION GRANT FOR PARTIAL FUNDING FOR A NEW MRI AT SOUTH PENINSULA HOSPITAL**

**WHEREAS**, the current Magnetic Resonance Imaging (MRI) at South Peninsula Hospital is nearing the end of its useful life; and

**WHEREAS**, the current MRI is located in a trailer adjacent to the hospital; and

**WHEREAS**, the estimated replacement cost of a new MRI is \$1,800,000; and

**WHEREAS**, the South Peninsula Hospital is applying for a Denali Commission Grant in the amount of \$900,000 to assist with funding the purchase and installation of a new MRI; and

**WHEREAS**, the Denali Commission Grant requires a local match,

**NOW, THEREFORE, BE IT RESOLVED:**

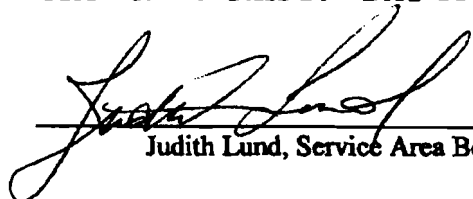
**SECTION 1. That the South Kenai Peninsula Hospital Service Area Board supports the submission of a grant application to the Denali Commission for partial funding of a new MRI and recommends and approves the use of Service Area Fund Balance to provide \$400,000 in required match funds.**

**SECTION 2. This resolution shall take effect upon adoption by the South Kenai Peninsula Hospital Service Area Board.**

**ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD OF THE KENAI PENINSULA BOROUGH ON THIS 24<sup>TH</sup> DAY OF NOVEMBER 2008.**

ATTEST:

  
Nancy Branch, Secretary

  
Judith Lund, Service Area Board President

**Roll Call:**

**Yes:** Sue Baxter, Nancy Branch, John Fenske, Roberta Highland, Judith Lund, Ann Ridgely, Marie Walli

**No:** None

**Absent:** Ralph E. Broshes, Annette Koth

-----Original Message-----

From: Robert Letson [mailto:[rfl@sphosp.com](mailto:rfl@sphosp.com)]

Sent: Friday, March 20, 2009 11:19 AM

To: Barbara Howard

Cc: Walt Partridge; Nina Allen; Kent Haina; Bernie Wilson; Kelly Cooper

Subject: MRI update

Good News! I met with Millie and Bill yesterday about the MRI financing plan. Then today Millie met with Craig Chapman and the following details were finalized: Craig will meet with the SAB Monday to finalize our capital budget. In addition to the \$875,000 from the SAB and \$400,000 from SPH, THE BOROUGH WILL LOAN THE SAB \$500,000 over 5 YEARS TO PAY FOR THE REST OF THE MRI WITHOUT A LEASE. This \$500,00 would come out of our capital budget over 5 years. Craig, Jack and I have also discussed a promising source of funds we have identified for the MRI building( executive session-I'll elaborate). On Monday MaLisa meets with Craig to finalize the capital budget and the MRI \$500,000 loan. The Mayor is also in support of this plan.  
bob

**Milli**

**From:** Lyon, Kevin [KLyon@borough.kenai.ak.us]  
**Sent:** Tuesday, March 24, 2009 10:36 AM  
**To:** Milli  
**Cc:** Carey, Dave; Cushing, Jack  
**Subject:** RE: Question

President Martin,

We are working out the details with the Consultant (RIM) and expect the paper work to be returned for signature shortly. We are also coordinating the design to not conflict with the existing project. This project will require some major seismic analysis of both the new structure as well as its impact on the existing structure. I believe Jack Cushing the project manager provided a tour to you last week and informed you of the project details.  
Kevin

**From:** Milli [mailto:millimom@xyz.net]  
**Sent:** Monday, March 16, 2009 8:19 AM  
**To:** Lyon, Kevin  
**Cc:** Carey, Dave  
**Subject:** Question

Hi Kevin,

I have a question for you. As you may recall, Bill Smith had asked about letting the contract for the design of the MRI addition for South Peninsula Hospital. I am wondering if that has been let, and if not, why not.

This is a project of great interest, the construction season is upon us, seems it would be prudent to be prepared if funding comes available and do it all together, save dollars, etc. The current MRI lease runs out in July and every month delay in making the building ready will cost over \$30,000.

As we both know, the stimulus funding is still in limbo, and vital projects will certainly have a better chance the closer they are to being truly shovel ready, as opposed to "could be" shovel ready. I suspect the MRI project design could be ready in short order, however, with the specter of additional costs after July 1, prompts my question.

Thanks,

Milli

6/29/2010

Introduced by:  
Date:  
Action:  
Vote:


Administration  
03/25/2009  
Adopted  
6 Yes, 0 No, 0 Absent, 0 Abstain

**SOUTH PENINSULA HOSPITAL  
RESOLUTION 09-24**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS  
IN SUPPORT OF APPROPRIATING \$625,000 OF INTEREST INCOME TO PAY THE  
COST OF CAPITAL IMPROVEMENTS.**

**WHEREAS**, in the May 8, 2007 special election, a majority of South Kenai Peninsula Hospital Service Area approved Proposition No. 1 which authorized the expenditure of \$14,700,000 to pay the cost of capital improvements to South Peninsula Hospital and the issuance of up to \$14,700,000 in Service Area General Obligation bonds; and

**WHEREAS**, bond proceeds have generated earned interest of \$625,000 and are available to support project expenditures associated with the expansion project; and

 **WHEREAS**, the replacement MRI, which is scheduled for installation in FY2010, be housed in a permanent facility.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
SOUTH PENINSULA HOSPITAL:**


1. That the South Peninsula Hospital Board of Directors is in support of appropriating interest earned from bond proceeds of \$625,000 to account 401.81211.07SHB.49101 for costs associated with constructing a facility for housing a replacement MRI; and
2. That this resolution be forwarded to the South Kenai Peninsula Service Area Board for consideration to approve; and
3. That this resolution be forwarded to the Kenai Peninsula Borough Assembly for consideration to approve.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA  
HOSPITAL THIS 25<sup>TH</sup> DAY OF MARCH, 2009.**



Barbara Howard, Board President

ATTEST:



Bernadette Wilson, Secretary

Vote:

Yes: Nina Allen, Kelly Cooper, Kent Haina, Barbara Howard, Walter Partridge, Bernadette Wilson

No: None

Abstain: None

Absent: None

**Milli**

**From:** Cushing, Jack [JCushing@borough.kenai.ak.us]  
**Sent:** Monday, March 30, 2009 11:34 AM  
**To:** Milli  
**Subject:** RE: Question

Hi Milli, you can trust this thorough seismic analysis was done for the existing phases. Additional analysis is required by code for the separate add on portion of the building. Simply stated, the new roof and wall areas have to be independently strong enough so that they don't hang on to and pull down the existing structure by generating seismic forces greater than what the existing structure was designed to resist. Seismic shear resistance is built in to these Phases through specialized sized beam & columns fastened with rigorously executed & tested welds. The entire assemble is call a 'moment frame'. There are 34 each of these in Phase 1 and 70 each in Phase 2. It would be impossible (or at least very expensive) to pre-guess a building that didn't exist yet in plan, and attempt this analysis in 2004 for a building add-on that may be built in 2010. You are touching on an essence of Engineering; matching existing budgets to the desired product, while maintaining minimum required factors of safety without busting a project at the on-set with overdesign possibilities.

Thanks for the kind words below, I'm glad the tour was worth it.

Jack

**From:** Milli [mailto:millimom@xyz.net]  
**Sent:** Saturday, March 28, 2009 7:17 AM  
**To:** Lyon, Kevin  
**Cc:** Carey, Dave; Cushing, Jack  
**Subject:** RE: Question

Good Morning Kevin,

Sorry so late to respond. Been ill with a cold.

Thanks so much for your response, and more so, my thanks to Jack Cushing for so generously taking time out of his busy day to go over the plans of the project and why the delay in the architectural plans for the MRI. That was an education for me, that I needed. The new wing looks huge. Assume when all is done it will be glorious.

Interesting that the MRI project will require major seismic analysis – why wasn't that done for the entire project?? The addition is in an existing area. I would think with all the work being done, both the first phase and now the second, it would have been included.

Thanks again so much for getting back, and for all your work.

Milli

**From:** Lyon, Kevin [mailto:KLyon@borough.kenai.ak.us]  
**Sent:** Tuesday, March 24, 2009 10:36 AM  
**To:** Milli  
**Cc:** Carey, Dave; Cushing, Jack  
**Subject:** RE: Question

President Martin,

6/29/2010

**SOUTH PENINSULA HOSPITAL  
RESOLUTION 09-25**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS  
SUPPORTING SERVICE AREA BOARD REQUEST OF LOAN FOR MRI PURCHASE.**

**WHEREAS**, the current Magnetic Resonance Imaging (MRI) at South Peninsula Hospital is nearing the end of its useful life; and

**WHEREAS**, the cost of leasing an MRI is comparable to the monthly payment for owning; and

**WHEREAS**, the total cost for the replacement MRI is \$1,800,000; and

**WHEREAS**, the funds applied for to the Denali Commission were not granted; and

**WHEREAS**, the South Kenai Peninsula Hospital Service Area Board has committed \$875,000 to this project; and

**WHEREAS**, South Peninsula Hospital will use \$400,000 Operating Funds for this project; and

**WHEREAS**, the payment of the loan will be funded by the Service Area's Capital Budget over the next five years; and

**WHEREAS**, this resolution was approved by the Finance Committee on April 16<sup>th</sup>.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
SOUTH PENINSULA HOSPITAL:**

1. That the South Peninsula Hospital Board of Directors is in support of a South Kenai Peninsula Borough Service Area request for the Kenai Peninsula Borough for a loan in the amount of up to \$525,000; and
2. That this resolution be forwarded to the South Kenai Peninsula Service Area Board for consideration to approve; and
3. That this resolution be forwarded to the Kenai Peninsula Borough Assembly for consideration to approve.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA  
HOSPITAL THIS 22<sup>nd</sup> DAY OF APRIL, 2009.**

\_\_\_\_\_  
Barbara Howard, Board President

ATTEST:

\_\_\_\_\_  
Bernadette Wilson, Secretary

**Vote:**

**Yes:** Barbara Howard, Kelly Cooper, Nina Allen, Walter Partridge, Matthew North, Bernadette Wilson, Kent Haina, Julie Woodworth

**No:** None

**Abstain:** None

**Absent:** None

South Peninsula Hospital  
Service Area Board  
Regular meeting May 14, 2009

Resignation of Annette Koth from the SAB.

Marie Walli/Roberta Highland moved/seconded to accept Annette Koth's resignation from the SAB.

Roll call vote:

Yes – 7, No – 0, Absent – 1. Motion passed.

Action taken by the SAB re: Resolution 09-25.

Marie Walli/Roberta Highland moved/seconded to approve Board of Directors Resolution 09-25 supporting the Service Area Board request of loan for MRI purchase.

Roll call vote:

Yes – 7, No – 0, Absent – 1. Motion passed.

Action taken by the SAB re: Resolution 09-26.

Nancy Branch/Marie Walli moved/seconded to approve Board of Directors Resolution 09-26 accepting Denali Commission grant funds for digital mammography.

Roll call vote:

Yes – 7, No – 0, Absent – 1. Motion passed.

Introduced by:	Mayor
Date:	05/19/09
Shortened Hearing:	06/02/09
Action:	Enacted as Amended
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2008-19-59**

**AN ORDINANCE AUTHORIZING A \$525,000 INTERGOVERNMENTAL LOAN  
FROM THE GENERAL FUND AND APPROPRIATING FUNDS TO THE SOUTH  
KENAI PENINSULA HOSPITAL SERVICE AREA FUND TO PARTIALLY FINANCE  
THE ACQUISITION OF A NEW MAGNETIC RESONANCE IMAGING MACHINE**

**WHEREAS,** the lease of the current magnetic resonance imaging machine ("MRI") by the South Peninsula Hospital will expire July 1, 2009; and

**WHEREAS,** purchasing a new MRI instead of leasing one would enable the service area and borough to benefit financially; and

**WHEREAS,** at its May 5, 2009, meeting, the assembly enacted Ordinance 2008-19-51 appropriating \$625,000, which is interest funds from the Phase 3 bond sale to be used to construct a building for the MRI; and

**WHEREAS,** the MRI is expected to cost approximately \$1.8 million; and

**WHEREAS,** South Peninsula Hospital, Inc. has indicated it will contribute approximately \$400,000 toward acquisition of the MRI; and

**WHEREAS,** the proposed annual budget for FY2010 includes \$875,000 to be used toward this purchase; and

**WHEREAS,** a \$525,000 intergovernmental loan for the service area would provide the remaining funds needed to enable the South Kenai Peninsula Hospital Service Area (Service Area) to acquire the MRI for the South Peninsula Hospital; and

**WHEREAS,** at its meeting of April 21, 2009, the South Peninsula Hospital Inc. board of directors passed a resolution supporting the South Kenai Peninsula Hospital Service Area Board request for a loan of up to \$525,000 from the borough for purchasing the MRI; and

**WHEREAS,** at its meeting of May 14, 2009 the South Kenai Peninsula Hospital Service Area Board recommended purchase, by a vote of 7 yes and 1 absent;



**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That a \$525,000 intergovernmental loan is authorized for the Service Area and shall be accounted for in the general fund account No. 100.00000.00000.14121.

**SECTION 2.** That the Service Area shall pay the outstanding balance of the loan in five equal installments due on the anniversary of the transaction date. Each payment shall include principle and interest computed at the annual rate equal to the prime rate in effect on the date of the transaction. The loan is due in full on or before five years from the date of the loan. All payments are subject to the appropriation and availability of funds.

**SECTION 3.** Voter approval of this purchase is not required by KPB 5.04.110 because the superior court recently ruled that this code section is legally invalid. In the event that the court determines KPB 5.04.110 is valid, the assembly hereby exempts this acquisition from KPB 5.04.110 for the reason that ordering an MRI requires several weeks' lead time, the lease of the existing MRI will end June 30, 2009, and the MRI is essential for providing adequate radiological services to the community. Voter approval would delay the purchase until long after the existing MRI lease expires.

**SECTION 4.** That this ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF JUNE, 2009.**

\_\_\_\_\_  
Milli Martin, Assembly President

ATTEST:

\_\_\_\_\_  
Johni Blankenship, Borough Clerk

Yes: Fischer, Knopp, Long, Smalley, Smith, Sprague, Superman, Martin

No: None

Absent: Pierce



## **KENAI PENINSULA BOROUGH**

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

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**DAVE CAREY**  
**BOROUGH MAYOR**

### **MEMORANDUM**

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

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

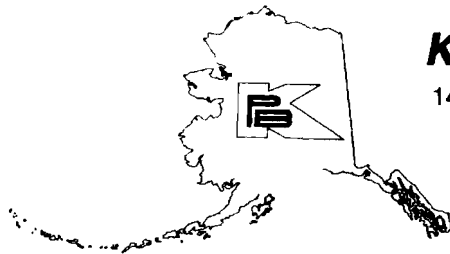
**FROM:** Craig Chapman, Finance Director *C Chapman*  
Colette Thompson, Borough Attorney *CT*

**DATE:** May 7, 2009

**SUBJECT:** Ordinance 2008-19- 59, authorizing \$525,000 intergovernmental loan to the South Kenai Peninsula Hospital Service Area Fund to partially finance a new MRI machine

The current lease of the magnetic resonance imaging machine ("MRI") at South Peninsula Hospital will expire July 1, 2009, and the hospital needs to replace it. After considering several options, it has been determined that purchasing an MRI rather than leasing one would better serve the financial interests of the hospital and borough. On April 22, 2009, the nonprofit corporation adopted South Peninsula Hospital Resolution 09-25 supporting a request from the South Kenai Peninsula Hospital Service Area Board for a loan of up to \$525,000 to be used toward purchasing the MRI. The total expected cost of the machine is \$1.8 million, and South Peninsula Hospital, Inc. has also approved contributing \$400,000 toward this project. The balance remaining of \$875,000 is included in the proposed FY2010 budget.

The loan would be for five years with annual payments plus interest at the prime rate. Payments are subject to the appropriation and availability of funds. Your support of this ordinance would be appreciated.



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**DAVE CAREY  
BOROUGH MAYOR**

### **MEMORANDUM**

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

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

**FROM:** Colette Thompson, Borough Attorney *CT*

**DATE:** May 19, 2009

**SUBJECT:** Amendment to Ordinance 2008-19-59, authorizing a \$525,000 intergovernmental loan to the South Peninsula Hospital for a new MRI

Upon further review, it was determined that because KPB 5.04.110, requiring voter approval for many capital improvement projects, is still in the KPB code, the assembly should expressly exempt this project from the code.

➤ Add a new Section 3 and renumber prior Section 3 to Section 4 as follows:

**SECTION 3.** Voter approval of this purchase is not required by KPB 5.04.110 because the superior court recently ruled that this code section is legally invalid. In the event that the court determines KPB 5.04.110 is valid, the assembly hereby exempts this acquisition from KPB 5.04.110 for the reason that ordering an MRI requires several weeks' lead time, the lease of the existing MRI will end June 30, 2009, and the MRI is essential for providing adequate radiological services to the community. Voter approval would delay the purchase until long after the existing MRI lease expires.

**SECTION 4.** That this ordinance takes effect immediately upon its enactment.

Your approval of this amendment would be appreciated.

SPH MRI, Prime + 2%

Compound Period ..... : Monthly

Nominal Annual Rate .... : 5.250 %

## CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	05/19/2009	525,000.00	1		
2 Payment	05/19/2010	122,532.24	5	Annual	05/19/2014

## AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 05/19/2009				525,000.00
2009 Totals	0.00	0.00	0.00	
1 05/19/2010	122,532.24	28,235.49	94,296.75	430,703.25
2010 Totals	122,532.24	28,235.49	94,296.75	
2 05/19/2011	122,532.24	23,164.03	99,368.21	331,335.04
2011 Totals	122,532.24	23,164.03	99,368.21	
3 05/19/2012	122,532.24	17,819.82	104,712.42	226,622.62
2012 Totals	122,532.24	17,819.82	104,712.42	
4 05/19/2013	122,532.24	12,188.19	110,344.05	116,278.57
2013 Totals	122,532.24	12,188.19	110,344.05	
5 05/19/2014	122,532.24	6,253.67	116,278.57	0.00
2014 Totals	122,532.24	6,253.67	116,278.57	
Grand Totals	612,661.20	87,661.20	525,000.00	

## SPH MRI, Prime

Compound Period ..... : Monthly

Nominal Annual Rate .... : 3.250 %

## CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	05/19/2009	525,000.00	1		
2 Payment	05/19/2010	115,616.12	5	Annual	05/19/2014

## AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 05/19/2009				525,000.00
2009 Totals	0.00	0.00	0.00	
1 05/19/2010	115,616.12	17,318.97	98,297.15	426,702.85
2010 Totals	115,616.12	17,318.97	98,297.15	
2 05/19/2011	115,616.12	14,076.29	101,539.83	325,163.02
2011 Totals	115,616.12	14,076.29	101,539.83	
3 05/19/2012	115,616.12	10,726.64	104,889.48	220,273.54
2012 Totals	115,616.12	10,726.64	104,889.48	
4 05/19/2013	115,616.12	7,266.50	108,349.62	111,923.92
2013 Totals	115,616.12	7,266.50	108,349.62	
5 05/19/2014	115,616.12	3,692.20	111,923.92	0.00
2014 Totals	115,616.12	3,692.20	111,923.92	
Grand Totals	578,080.60	53,080.60	525,000.00	

**South Peninsula Hospital Service Area Board  
Regular Meeting  
February 11, 2010**

<b><u>CALL TO ORDER</u></b>	Chair Lund called the meeting to order at 6:30 p.m.
<b><u>ROLL CALL</u></b>	<p><b>Present:</b> Board Members Marie Walli, Diann Martin, Judith Lund, Roberta Highland, Ralph Broshe, Barbara McBride</p> <p><b>Excused:</b> Tammy Ackerman, Anne Ridgely</p> <p><b>Staff:</b> Bob Letson, CEO</p> <p><b>Also Present:</b> Dave Carey, KPB Mayor; Craig Chapman, KPB Finance Director; Kyle Kornelis, KPB Capital Projects; Jack Cushing, KPB Projects; Susan Wilcox, KPB Mayor's Office; Bill Smith, KPB Assembly Member; Kent Haina, SPH Operating Board Representative; Jan Hanenberger, Homer Secretarial Services</p> <p>A quorum was present.</p>
<b><u>INTRODUCTION OF GUESTS</u></b>	<p>Guests included:</p> <ul style="list-style-type: none"> <li>• Dave Carey, KPB Mayor</li> <li>• Craig Chapman, KPB Finance Department</li> <li>• Susan Wilcox, KPB Mayor's Office</li> <li>• Kyle Kornelis, KPB Capital Projects</li> <li>• Jack Cushing, KPB Capital Projects</li> <li>• Bill Smith, KPB Assembly</li> <li>• Kent Haina, SPH Operating Board Representative</li> </ul>
<b><u>APPROVAL OF AGENDA</u></b>	<p>Board Member Walli moved to approve the agenda with the following changes:</p> <ul style="list-style-type: none"> <li>• Move Item 15-A, New Business, to be Item 9-A</li> <li>• New Item 9-B, SPH Foundation Trustee</li> </ul> <p>Board Member Martin seconded to approve the agenda as amended. Motion passed.</p> <p>Chair Lund requested Item 9-B also is on the agenda for the March meeting for conformation since it had not originally been on the agenda this evening. Item numbers of items following 9-B were adjusted accordingly.</p>
<b><u>COMMENTS FROM THE AUDIENCE</u></b>	No comments.
<b><u>MAYOR DAVE CAREY - KPB</u></b>	<p>Mayor Carey sadly reported he had been informed Terry Shepherd, Director of the Center for Alaskan Coastal Studies, had passed away.</p> <p>Mayor Carey then mentioned the following:</p>

**South Peninsula Hospital Service Area Board  
Regular Meeting  
February 11, 2010**

**MAYOR DAVE CAREY  
– KPB – continued:**

- Part of the budget being presented to the KPB Assembly will include a proposition from the Economic Development District for Energy Audits. The Energy Star Program is a very well known program and if approved, SPH, as well as the borough building, would be the two buildings for a pilot program. He thanked Board Member Highland for her interest and work as an advocate for this program.
- Mayor Carey, and KPB staff, met with CEO Letson and others today regarding the construction project. The mayor thanked everyone involved for their hard work on a fantastic facility which is almost completed. It will provide necessary services as well as employment to the area. There are budgetary concerns regarding the MRI and building but they do not want a structure, or piece of equipment, that is not satisfactory and would like to see a high quality and appropriately completed project.

CEO Letson said they have decided to take a couple of months and take another look at a permanent building to see if they can get the cost to be similar to the modular quote. It was felt it would be better to delay things, and re-evaluate, to make sure the right decisions are made. Questions and answers followed.

It was originally thought if this step of the project went to \$1 million it would have to go before the voters. That is not the case since \$625,000 was set aside as interest earnings and had prior approval. They are now looking at between \$500,000 - \$600,000 total.

Mr. Kornelis and Mr. Cushing then provided information on the re-evaluation planned. They plan to try and maintain the originally proposed 1,400 square feet which would enable them to use the existing 45 design pages with very few changes. They feel it will be less expensive for the architects to value engineer certain expensive aspects then to redo the 45 design sheets and make the footprint smaller. There were various questions, answers and comments throughout the discussion.

**APPROVAL OF  
MINUTES: REGULAR  
MEETING JANUARY  
14, 2010**

Board Member Walli moved to approve the minutes.

Corrections were:

- Date at the top should be January 14, 2010 not January 10, 2010.
- Typographical error in first bullet under Introduction of Guests where it read *Mr. Ridge moved to Homer from*

**South Peninsula Hospital Service Area Board  
Regular Meeting  
February 11, 2010**

**APPROVAL OF  
MINUTES: REGULAR  
MEETING JANUARY  
14, 2010 – continued:**

*Indianan..., should be Indiana.*

- Typographical error on page 2, under Predictions and Expectations from FY 2011 Budget – Craig Chapman, KPB Finance Director where it read, *The budget is then presented to the KPB Assemble..., should be, The budget is then presented to the KPB Assembly.*
- On page 3, second sentence in the second bullet under Committee of the Whole Meeting Report where it read, *He also discussed federal funds from timber sales..., should read, He also discussed federal stimulus funds/timber sales.*
- Typographical error on page 3, under KPB Budget Meeting Report where it read, *...board members should be aware off..., should be, board members should be aware of.*

Board Member Walli moved, Board Member Martin seconded to approve the minutes as amended. Motion passed.

**COMMITTEE OF THE  
WHOLE MEETING  
REPORT – MARIE  
WALLI**

Board Member Walli reported:

- Committee meeting started at 5:42 p.m. and adjourned at 6:25 p.m.
- Discussed New Business agenda items that would be moved forward on the agenda due to a SAB member that ~~will be~~ leaving early.
- Ryan Ridge is interested in becoming a SAB member. Board Member McBride will follow up on this.
- CEO Letson met with KPB Mayor Carey earlier today to discuss the MRI project. Mayor Carey will be speaking to the members regarding this during this evening's meeting.
- Funding for the Community Health Needs Assessment Program was discussed.
- Appointment of a SAB member to be a Trustee for the SPH Foundation was discussed. Board Member McBride agreed to act as Trustee for one year.
- Discussed the \$200,000 federal stimulus funds/timber sale money. Board Member Highland would like to see some of the funds directed to an energy audit for the hospital. The school district is already conducting energy efficiency efforts through grants.
- Discussed moving the March SAB meeting to the first Thursday of the month, March 4<sup>th</sup>, in order to proceed with the budgetary process and present it to the KPB Finance Department by March 8<sup>th</sup>.



**South Peninsula Hospital Service Area Board  
Regular Meeting  
February 11, 2010**

<b><u>NEW BUSINESS</u></b>	
<b><u>Approval of Reallocation of FY09 Capital Funds for Purchase of Laboratory Equipment</u></b>	<p>Board Member Walli moved, Board Member Martin seconded to approve the resolution of the South Peninsula Hospital Board of Directors authorizing purchase of an uninterruptible power supply for the Laboratory Department.</p> <p>The vote: Yes – Broshes, Highland, Martin, Lund, Walli, McBride No – 0 Absent – Ackerman, Ridgely</p> <p>Motion passed.</p>
<b><u>Appointment of SPH Foundation Trustee</u></b>	<p>Board Member Walli moved, Board Member Broshes seconded to appoint a Trustee to the SPH Foundation Trustee Board. Motion passed.</p> <p>Board Member Highland moved, Board Member Martin seconded to nominate Barbara McBride. Motion passed. Since this item was not originally on this evening's agenda, the motion will be confirmed at the March meeting.</p>
<b><u>KPB Assembly Ordinance 2009-1928</u></b>	<p>At this time Mr. Chapman mentioned an action item the KPB should have requested on the agenda this evening. Mr. Chapman provided background on the cost and funds used for asbestos work that had to be done at SPH during the construction project. An ordinance was introduced at the last Assembly meeting appropriating \$136,165 from the SPH's Service Area's Capital Fund fund balance to reimburse the funds used. These funds would then be available if other problems surfaced. The KPB is asking if the SAB supports this action. Since this must be voted on prior to the next Assembly meeting on March 2<sup>nd</sup>, and was not thought to be a controversial item, Chair Lund suggested adding the resolution as Item C under New Business. This item would then also be confirmed at their March meeting. Chair Lund then asked if any of the members objected to adding the report and action. There were no objections.</p> <p>Board Member Walli moved, Board Member Highland seconded for the ordinance to be added as Item C under New Business.</p> <p>The vote: Yes – Highland, Walli, Lund, Broshes, Martin, McBride No – 0</p>

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<p><b><u>KPB Assembly Ordinance 2009-1928 – continued:</u></b></p>	<p style="text-align: center;">Absent – Ackerman, Ridgely</p> <p>Motion passed.</p> <p>Assembly Representative Bill Smith then read the KPB Assembly's Ordinance 2009-1928 into the recorded minutes.</p> <p>Board Member Walli moved, Board Member Martin seconded that the SAB approve transferring funds, in the amount of \$136,165, from the Capital Fund fund balance to the bond funded Capital Project Fund.</p> <p>The vote: Yes – Walli, Martin, Lund, McBride, Broshes, Highland No – 0 Absent – Ackerman, Ridgely</p> <p>Motion passed and will be on the March agenda for confirmation.</p>
<p><b><u>SPHI OPERATING BOARD REPRESENTATIVE REPORT</u></b></p>	<p>Mr. Haina reported:</p> <ul style="list-style-type: none"> <li>• BOD Retreat <del>was</del> held at Land's End and goals and directions <del>were</del> discussed.</li> <li>• Currently <del>have</del> a full board with Matt Hambrick joining the group.</li> <li>• Jamie Orlikoff will be speaking at CPH on March 2<sup>nd</sup> from 9:00 a.m. until noon. SAB members and BOD <del>members</del> are welcomed and encouraged to attend.</li> </ul> <p>Mr. Haina then thanked the SAB and KPB Assembly for their continued support during the construction project.</p>
<p><b><u>KPB ASSEMBLY REPRESENTATIVE REPORT</u></b></p>	<p>Assembly Member Bill Smith had nothing further.</p>
<p><b><u>CEO ROBERT LETSON: REPORT TO THE SAB</u></b></p>	<p>CEO Letson reported:</p> <ul style="list-style-type: none"> <li>• Jamie Orlikoff is one of the most renowned speakers in the United States on health care board governance and encouraged the members to attend his presentation.</li> <li>• Union negotiations have been going on for a year. The hospital and the union have hit an impasse on financial issues and will now be working with a mediator.</li> <li>• Lawsuit case from 2001 involving SPH will probably go to trial the end of February.</li> <li>• Construction is on target and budget.</li> <li>• Capital Equipment Budget will be coming to the SAB at the next meeting.</li> </ul>

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<b><u>SAB CHAIR REPORT – JUDITH LUND</u></b>	Chair Lund reported attended the last BOD meeting and had nothing further to report.
<b><u>ROBERTA HIGHLAND REPORT</u></b>	<p>Board Member Highland mentioned:</p> <ul style="list-style-type: none"> <li>• Excited about the possible energy audit and other energy saving plans and possibilities.</li> <li>• 100% recycled copy paper is available in Homer.</li> <li>• Still following up on possibilities for the KPB going greener.</li> </ul>
<b><u>UNFINISHED BUSINESS</u></b>	<p>Secretary Ackerman was unable to attend this evening. This item will be on the next agenda.</p>
<b><u>Website</u></b>	
<b><u>Community Health Needs Assessment</u></b>	Nothing further.
<b><u>INFORMATIONAL ITEM</u></b>	There were no questions or comments regarding the approved BOD meeting minutes of December 16, 2009.
<b><u>COMMENTS FROM THE AUDIENCE</u></b>	<ul style="list-style-type: none"> <li>• Mayor Dave Carey mentioned quality health care is very important for a community and thanked the SAB for the work they do.</li> <li>• Craig Chapman is looking forward to seeing the members on March 4<sup>th</sup>.</li> <li>• Jack Cushing offered to speak with SAB members individually, provide tours of the project, and provided background on steps he takes with working on the project.</li> <li>• Kyle Kornelis thanked the SAB.</li> <li>• Kent Haina thanked the SAB for their support.</li> </ul>
<b><u>COMMENTS FROM BOARD/STAFF</u></b>	<ul style="list-style-type: none"> <li>• Marie Walli thanked the borough staff, project managers, and everyone for their support, requested new ordinances be available for their review, and wished them a safe trip home to Soldotna.</li> <li>• Barbara McBride thanked everyone from Soldotna for coming and speaking this evening.</li> <li>• Ralph Broshes thanked everyone who came, thanked Ms. Highland for her work on environmental issues, and asked to be excused from the next two meetings.</li> <li>• Judith Lund reminded everyone the next meeting will be on March 4<sup>th</sup> and the agenda will need to be completed</li> </ul>

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<b><u>COMMENTS FROM BOARD/STAFF – continued:</u></b>  <b><u>ADJOURNMENT</u></b>	<p>and distributed a week earlier. She thanked the construction crew for their great work, and thanked Mayor Carey and everyone from the KPB for coming.</p> <p>There being no further business the meeting adjourned at 7:45 p.m.</p> <table><tr><td>Respectfully submitted,</td><td>Accepted:</td></tr><tr><td> _____ Janet E. Hanenberger Homer Secretarial Services Minutes Approved: _____</td><td> _____ Judith Lund, Chair  _____ Tammy Ackerman, Secretary</td></tr></table>	Respectfully submitted,	Accepted:	 _____ Janet E. Hanenberger Homer Secretarial Services Minutes Approved: _____	 _____ Judith Lund, Chair  _____ Tammy Ackerman, Secretary
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