



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

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

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.borough.kenai.ak.us

DAVE CAREY
BOROUGH MAYOR

MEMORANDUM

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: May 27, 2010

SUBJECT: Ordinance 2010-19- 01, an ordinance providing supplemental funding for costs associated with housing the MRI machine at South Peninsula Hospital

The hospital's current MRI is located in a trailer. At its May 5, 2009 meeting, the assembly enacted Ordinance 2008-19-51 which appropriated \$625,000 from interest earned from bond proceeds, to construct a building to house the hospital's new MRI. This was being funded as part of the Service Area's FY2010 capital budget. The unspent amount of this appropriation is approximately \$550,000.

Based upon a design prepared by the borough's architect (RIM Architects), the construction firm on site (Jay-Brant General Contractors, LLC) estimated the cost to construct the building to be approximately \$1,100,000.

The Kenai Peninsula Borough's Capital Projects Department estimates this project can be constructed for less than \$1,000,000. Based upon this estimate, an additional \$450,000 is needed to construct the building to house the MRI.

The South Peninsula Hospital Service Area Board at its meeting of January 14, 2010, unanimously recommended approval of a request to appropriate \$300,000 from its Capital Project Fund to provide supplemental funding for the costs associated with housing the new MRI machine.

The South Peninsula Hospital Board of Directors at their meeting on May 26, 2010, approved funding for the MRI building in the amount of \$150,000.

The administration requests the assembly approve this appropriation for the additional funding to construct the building to house the MRI.

FINANCE DEPARTMENT FUNDS VERIFIED

ACT # 491.27900 FB \$300,000
See attached copy of Board Reso
Committing \$150,000
BY: CBCD DATE: 5/27/10