

Introduced
Date: 4/08/97
Action: Adopted *AS AMENDED*
Vote: Unanimous

**KENAI PENINSULA BOROUGH
RESOLUTION 97-022**

**A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE A NEW LEASE
AGREEMENT FOR THE OPERATION OF CENTRAL PENINSULA GENERAL
HOSPITAL WITH CENTRAL PENINSULA GENERAL HOSPITAL, INC.**

WHEREAS, the Central Peninsula General Hospital has been operated by Central Peninsula General Hospital, Inc., a private non-profit corporation, ("CPGH, Inc.") under a Lease and Operating Agreement since January 1, 1993; and

WHEREAS, that agreement will end December 31, 1997; and

WHEREAS, recent audits of the finances of CPGH, Inc., report the hospital is in good financial shape; and

WHEREAS, the Borough, after examining the options, deems it is in the best interest of the citizens of the Kenai Peninsula to keep local ownership and control over the operations of our hospital;

WHEREAS, allowing CPGH, Inc. to continue operating the hospital would help to ensure both continuity in, and local control over, hospital operations; and

WHEREAS, portions of the current lease and operating agreement between the Borough and CPGH, Inc., should be modified to enable the hospital to continue operating in a publicly and fiscally-responsible manner; and

WHEREAS, in order to allow CPGH, Inc. sufficient time to decide upon and arrange for management of the hospital after expiration of its current Management Agreement, CPGH, Inc. needs a completed lease agreement as soon as possible;

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

SECTION 1. That the Assembly of the Kenai Peninsula Borough approves the concept and approach of leasing the hospital to CPGH, Inc., with provisions for capital improvements to be borne by the borough through the service area, subject to assembly approval. However, the lease shall not include provisions for subsidizing operating losses. Also, the Assembly shall impose a limit on Central Peninsula Hospital Service Area taxes not to exceed one (1) mill.

SECTION 2. That the Assembly, in accordance with this approval, authorizes the Mayor to enter into negotiations with CPGH, Inc. for leasing the hospital, to prepare a new lease agreement to be executed by the borough on behalf of the service area and submit it to the assembly for approval prior to execution.


SECTION 3. That the intent and purpose of the new lease is to maintain fiscally-responsible local control of the hospital with CPGH, Inc., while allowing CPGH, Inc. more flexibility to operate the hospital with a full range of services and programs that will best serve our communities.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 8th DAY OF APRIL, 1997.



Jack Brown, Assembly President

ATTEST:



Borough Clerk