
RESOLUTION 2011-26

A RESOLUTION APPROVING TRANSFER OF \$750,000 OUT OF THE CPH PLANT, REPLACEMENT AND EXPANSION FUND, AND SUPPORTING BOROUGH ASSEMBLY ENACTMENT OF BOROUGH ORDINANCE 2010-19-XX

1. **WHEREAS**, the Kenai Peninsula Borough owns and provides for the operation of Central Peninsula Hospital (the "Hospital"), and for other health services and Medical Facilities, through the Central Kenai Peninsula Hospital Service Area, (the "Service Area"); and,
2. **WHEREAS**, the Borough has entered into a Lease and Operating Agreement with Central Peninsula General Hospital, Inc. ("CPGH, Inc.") for the lease and operation of the Hospital, the Kenai Health Center, Heritage Place, Serenity House and other Medical Facilities, to operate these Medical Facilities on a nonprofit basis in order to ensure the continued availability of the Medical Facilities to the Service Area residents and visitors; and,
3. **WHEREAS**, in 2010, CPGH, Inc. and the Borough recognized that Central Peninsula Hospital had a need for additional medical office space and for future hospital campus expansion; and,
4. **WHEREAS**, CPGH, Inc. identified three (3) parcels of real estate that were for sale, which properties met these needs, including Parcel No. 05910060, approx. 1.18 acres, which parcel is located adjacent to the hospital campus at 245 N. Binkley St., Soldotna, Alaska, and includes an office and clinic building known as the "Mundell Building;" and,
5. **WHEREAS**, on September 7, 2010, by Borough Ordinance 2010-19-06, the Borough Assembly authorized the Borough's purchase of these three (3) parcels; and the Borough subsequently purchased these three (3) parcels pursuant to that ordinance; and,
6. **WHEREAS**, after the Borough Assembly enacted Borough Ordinance 2010-19-06, CPGH, Inc. was successful in its recruitment of two (2) specialist physicians to become CPGH, Inc. employed physicians, whose employment will increase the number of physicians who also serve the indigent, Medicare, Medicaid, or other underserved patient population in their specialties within the Service Area, and will benefit all Service Area residents and visitors; and,
7. **WHEREAS**, the first specialist is Jason Lattin, MD, a general surgeon, who has entered into an employment agreement with CPGH, Inc. to provide professional medical services in General Surgery for inpatients at the Hospital and in the Hospital's outpatient medical clinic, with his general surgery services to begin on April 1, 2011; and,
8. **WHEREAS**, the second specialist is Hillary Seger, M.D., who has entered into an employment agreement with CPGH, Inc. to provide professional medical services in Obstetrics and Gynecology for

inpatients at the Hospital and in the Hospital's outpatient medical clinic, with her Obstetrics and Gynecology services to begin on July 1, 2011; and,

9. **WHEREAS**, there is space available in the Mundell Building for the medical practices of both recruited specialists, but the space must be renovated to suit the special needs of each specialist; and,
10. **WHEREAS**, acting in accordance with the Lease and Operating Agreement's procurement authorization for capital improvements at a cost that did not exceed \$250,000, CPGH, Inc. contracted for the performance of tenant improvements on the ground level floor of the Mundell Building to accommodate Dr. Lattin's surgery practice by April 1, 2011; and,
11. **WHEREAS**, the Borough Administration and Capital Projects Director have identified additional work that is planned and needed to bring the Mundell Building up to current operating standards, to meet current building code requirements, and to make additional tenant improvements in the Mundell Building to accommodate Dr. Seger's OB/GYN practice by July 1, 2011; and,
12. **WHEREAS**, the cost of these planned improvements will exceed the procurement limits of the CPGH, Inc. under the Lease and Operating Agreement, and therefore require funding appropriation by the Borough Assembly; and,
13. **WHEREAS**, the Borough Administration and Capital Projects Director have recommended initial funding in the amount of \$750,000 for the capital improvements planned for the Mundell Building; and the Mayor has proposed to the Borough Assembly Ordinance 2010-19-xx, An Ordinance Appropriating \$750,000 From The Central Peninsula Hospital Plant Replacement and Expansion Fund For Improvements At Hospital Facilities, with a request for shortened hearing on this ordinance to allow the improvements to be completed prior to June 30, 2011 to meet the needs of the Hospital for Dr. Seger's OB/GYN practice; and,
14. **WHEREAS**, the CPGH, Inc. Administration recommends that the CPGH, Inc. Board of Directors support Borough Ordinance 201-19-xx; and,
15. **WHEREAS**, under §13(b) of the Lease and Operating Agreement, any transfer in or out of the Central Peninsula Hospital Plant, Replacement and Expansion Fund shall be approved by the CPGH, Inc. Board;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:

SECTION 1. The CPGH, Inc. Board of Directors approves the transfer of \$750,000 out of the Central Peninsula Hospital Plant, Replacement and Expansion Fund as an initial funding for the capital improvements planned for the Mundell Building.

SECTION 2. The CPGH, Inc. Board of Directors supports Ordinance 2010-19-xx, An Ordinance Appropriating \$750,000 From The Central Peninsula Hospital Plant Replacement and Expansion Fund For Improvements At Hospital Facilities, and supports the Mayor's request



for shortened hearing on this ordinance to allow the improvements to be completed prior to June 30, 2011 to meet the needs of the Hospital for Dr. Seger's OB/GYN practice.

SECTION 3. The CPGH, Inc. Board of Directors respectfully requests that the Service Area Board recommend approval and that the Borough Assembly approve and enact Ordinance 2010-19-xx.

SECTION 4. This resolution becomes effective upon adoption by the CPGH, Inc. Board of Directors.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 03-31-11 meeting of the Board of Directors.

Date 03-31-11

A handwritten signature in blue ink that reads "Alyson Stogsdill". The signature is written in a cursive style and is positioned above a horizontal line.

Alyson Stogsdill, Secretary/Treasurer
CPGH, Inc. Board of Directors