



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Draft

Assembly

Dale Bagley, President
Sue McClure, Vice President
Kelly Cooper
Blaine Gilman
Mako Haggerty
Brent Johnson
Wayne Ogle
Stan Welles
Kelly Wolf

Tuesday, June 2, 2015

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

The invocation was given by Pastor John Rysdyk from Soldotna Bible Chapel.

ROLL CALL

Present: 9 - Kelly Wolf, Wayne Ogle, President Dale Bagley, Brent Johnson, Mako Haggerty, Vice President Sue McClure, Blaine Gilman, Stan Welles, and Kelly Cooper

Also present were:

Colette Thompson, Borough Attorney

Johni Blankenship, Borough Clerk

Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

Assembly Member Johnson stated the Finance Committee met and discussed its agenda items.

Assembly Member Haggerty stated the Lands Committee met and discussed its agenda item.

Assembly Member McClure stated the Policies and Procedures Committee met and discussed its agenda items.

APPROVAL OF AGENDA AND CONSENT AGENDA

McClure moved to approve the Agenda and Consent Agenda.

Copies have been made available to the public, Borough Clerk Johni Blankenship noted by title only the resolutions and ordinances on the consent agenda.

[KPB-0347](#) May 19, 2015 Regular Assembly Meeting Minutes

Attachments: [051915 Regular Assembly Meeting Minutes](#)

approved.

The following public hearing item met the required conditions of KPB 22.40.110 and was added to the consent agenda:

[2014-19-58](#) An Ordinance Accepting and Appropriating \$7,000 on Behalf of Nikiski Fire Service Area From Hilcorp Alaska LLC and XTO Energy Inc. to Purchase Two Rescue Rafts (Mayor)

Attachments: [2014-19-58](#)

[Service Area Board Recommendations](#)

[Memo](#)

[Nikiski Fire Service Area Rescue Raft Backup](#)

This Budget Ordinance was enacted as amended.

New Business

[2015-029](#) A Resolution Approving the Petition Application for the Formation of the Diamond View Estates Utility Special Assessment District for Construction of a Natural Gas Main Line (Mayor)

Attachments: [R2015-029](#)

[Memo](#)

[Exhibits](#)

[Public Comments](#)

This Resolution was adopted.

[2015-030](#) A Resolution Authorizing the Assessor to Accept the Late-Filed Senior Exemption Application of Larry Johnson for 2015, filed after March 31 (Mayor)

Attachments: [R2015-030](#)

[Memo](#)

[Johnson Senior Exemption backup](#)

This Resolution was adopted.

[2015-031](#) A Resolution Authorizing the Mayor to Sign the 2015 Alaska Land Mobile Radio Communication System Membership Agreements (Mayor)

Attachments: [R2015-031](#)

[Memo](#)

[ALMR_KPB FY16 Membership Agreement](#)

This Resolution was adopted.

[2014-19-59](#) An Ordinance Appropriating \$3,200,000 in Revenue Bonds for the Specialty Clinic Building at Central Peninsula Hospital (Mayor)

Attachments: [O2014-19-59](#)

[Memo](#)

This Budget Ordinance was introduced and set for public hearing.

[2014-19-60](#) An Ordinance Appropriating Supplemental Funding to the Borough's Health Insurance Fund to Cover Estimated Cost to be Incurred to the Borough's Health Care Plan For FY2015 (Mayor)

Attachments: [O2014-19-60](#)

[Memo](#)

This Budget Ordinance was introduced and set for public hearing.

[2015-15](#) An Ordinance Amending KPB 4.10.110 to Provide for the Inclusion of Statements Advocating Voter Approval or Rejection of Ballot Propositions in the Informational Brochure Distributed by the Borough Clerk Prior to Each Election (Bagley, Wolf)

[Clerk's Note: A teleconference site will be established at the Borough Office in Homer to receive public testimony on the above ordinance during the Assembly meeting.]

Attachments: [O2015-15](#)

[Memo](#)

This Ordinance was introduced and set for public hearing.

[KPB-0330](#) Petition to vacate a portion of Jobber Street, (formally Banta Street, changed on August 9, 2010 on Resolution SN 2010-10), a 66-foot right-of-way easement. Vacate the 33-foot right-of-way easement along the west boundary of Government Lot 61 and the 33-foot right-of-way easement along the east boundary of Government Lots 59 and 60, and vacate any associated utility easements. A 10-foot wide utility easement

is being granted, centered over the existing buried electric line with this plat. AND vacate the 33-foot right-of-way easement along the west boundary of Government Lot 72 and the 33-foot right-of-way easement along the east boundary of Government Lots 73 and 74, and vacate any associated utility easements. All within S23, T6N R12W, SM, AK and within the KPB. File 2015-041. Petitioners: Luke Hanson, Robert T. Peterkin II, Robert T. and Bonnie Peterkin, Ralph Wellborn all of Kenai, AK. Location: On Thunder Road in Nikiski Area

[Clerk's Note: The Planning Commission approved the referenced vacation by unanimous consent during its regularly scheduled meeting of May 11, 2015.]

Attachments: [Memo](#)
[Petition to Vacate - Jobber Street](#)

approved.

[KPB-0339](#) Confirming an Appointment to the Nikiski Fire Service Area Board (Mayor)

Scott Griffith, Seat E, Term to Expire October, 2015

Attachments: [Nikiski Fire Service Area Board Appointment](#)

approved.

[KPB-0338](#) Confirming an Appointment to the South Kenai Peninsula Hospital Service Area (Mayor)

Sara Jackinsky, Seat C, Term to Expire October, 2015

Attachments: [South Kenai Peninsual Hospital Service Area Board Appointment](#)

approved.

Approval of the Consent Agenda

President Bagley called for public comment with none being offered.

The motion approve the Agenda and Consent Agenda as amended carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

COMMENDING RESOLUTIONS AND PROCLAMATIONS

*1. [KPB-0332](#) A Resolution Commending the Contributions of Blake Johnson (Haggerty, Mayor)

Attachments: [Commending Resolution - Blake Johnson](#)

[Clerk's Note: Assembly Member Haggerty read the commending resolution. Mr. Johnson was unable to attend.]

This Commending Resolution was adopted.

PRESENTATIONS WITH PRIOR NOTICE

None.

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Bagley called for public comment.

George Pierce, Kasilof spoke in opposition to Ordinance 2015-14 and the proposed Nikiski Law Enforcement Service Area.

Marie McConnell, Sterling spoke in support of the proposed Nikiski Law Enforcement Service Area.

There being no one else who wished to speak, the public comment period was closed.

MAYOR'S REPORT

1. Assembly Requests/Responses - None.
2. Agreements and Contracts
 - a. [KPB-0341](#) Authorizing Award of Road Service Area Maintenance Contracts for West Region, Unit 1 and North Region, Units 2, 3, 4 & 5

- West Region, Unit 1 G & H Construction
- North Region, Unit 2 Commercial Automotive Repair
- North Region, Unit 3 AA Dan's Construction, Inc.
- North Region, Unit 4 AA Dan's Construction, Inc.
- North Region, Unit 5 Nikiski Equipment

Attachments: [Authorizing Award of Road Service Area Maintenance Contracts for West Region](#)

- b. [KPB-0342](#) Authorization to Award Contract for ITB15-033 Intercom/Fire Alarm System Parts to GMW Fire Protection, Anchorage Alaska

Attachments: [Authorization to Award Contract for ITB15-033 Intercom Fire Alarm System Parts](#)

3. Other

a. [KPB-0343](#) Budget Revision – April 2015

Attachments: [Budget Revisions - April 2015](#)

b. [KPB-0344](#) Revenue – Expenditure Report – April 2015

Attachments: [Revenue Expenditure Report - April 2015](#)

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES[2015-19](#) An Ordinance Appropriating Funds for Fiscal Year 2016 (Mayor)

Attachments: [O2015-19](#)

[Finance Amendment request #2](#)

[Finance Amendment](#)

[Welles Amendment Memo for K-Beach Flooding](#)

[Memo](#)

[FY2016 KPB Mayor Proposed Budget](#)

[FY16 Budget Presentation](#)

[Welles K-Beach Power Point Presentation](#)

[Ogle 5-19-15 Amendment](#)

[Gilman 5-19-15 Amendment](#)

[Public Comment](#)

[Welles Memo](#)

[Legal Opinion Memo](#)

[Legal Response Memo](#)

[Gilman Amendment](#)

[Cooper Amendment](#)

[Clerk's Note: The motion to enact Ordinance 2015-19 was on the floor from the May 19, 2015 meeting.]

President Bagley called for public comment.

Peggy Dye, Kenai spoke in support of funding the K-Beach Feasibility Study.

Sunni Hilts, Seldovia spoke in support of school funding.

Fred Sturman, Soldotna spoke in opposition to the oil and gas liason position and in support of a hiring freeze throughout the borough.

The following people spoke in support of funding non departmentals:

Michelle Glaves, Soldotna

Danny Seavey, Seward

Johna Beech, Soldotna

Bryan Zak, Homer

Mike Warburton, Homer

Keith Baxter, Kenai

The following people spoke in opposition to funding non departmentals:

George Pierce, Kasilof

Marie McConnell, Sterling

There being no one else who wished to speak, the public comment period was closed.

Gilman moved to amend the FY2016 budget document as follows:

Page 136, Non Departmental, increase line item 100.94910.00000.50241 "S/D Operations" to \$48,238,432 and Page 250, School Fund Non Departmental, increase line item 241.94910.00000.50241 "School District Operations" to \$37,908,561.

Assembly Members Johnson and McClure spoke in support of the amendment.

Assembly Members Haggerty, Wolf, Ogle and Cooper spoke in opposition to the amendment.

President Bagley passed the gavel to Vice President McClure.

Bagley moved a secondary amendment as follows:

Page 136, Non Departmental, increase line item 100.94910.00000.50241 "S/D Operations" to \$47,000,000 and Page 250, School Fund Non Departmental, increase line item 241.94910.00000.50241 "School District Operations" to \$36,670,129.

The secondary amendment FAILED by the following vote:

Yes: 2 - Wolf, and Bagley

No: 7 - Ogle, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

Vice President McClure returned the gavel to President Bagley.

The main motion carried by the following vote:

Yes: 6 - Wolf, Johnson, Haggerty, McClure, Gilman, and Cooper

No: 3 - Ogle, Bagley, and Welles

Cooper moved to amend the FY2016 budget document as follows:

Page 136, Non Departmentals, decrease line item 100.94910.00000.43021 "Peninsula Promotion - KPTMC" to \$340,000.

Assembly Members Wolf and Ogle spoke in support of the amendment.

Assembly Members Johnson and Haggerty spoke in opposition to the amendment.

The motion to amend carried by the following vote:

Yes: 5 - Wolf, Ogle, Gilman, Welles, and Cooper

No: 4 - Bagley, Johnson, Haggerty, and McClure

Welles moved to amend the FY2016 budget document as follows:

Increase account number 100.94910.KPBCHF.43011 by \$300,000 to fund a K-Beach Area High-Water Relief and Prevention Feasibility Study.

Assembly Members Ogle, Gilman and Wolf spoke in opposition to the amendment.

The motion to amend FAILED by the following vote:

Yes: 1 - Welles

No: 8 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, and Cooper

Johnson moved to amend the FY2016 budget document as follows:

Page 233, Road Service Area, increase line item 236.33950.00000.50238, transfer to RIAD Match Fund from \$0 to \$112,000.

The motion to amend carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

Johnson moved to amend the FY2016 budget document as follows:

Page 304, Central Kenai Peninsula Hospital Service Area, increase revenue budget - CPH Bond payments \$436,000

Page 307, Central Kenai Peninsula Hospital Service Area Administration, line item

600.81110.00000.50360 transfer to CKPHSA Debt Service Fund \$436,000

Page 319, line item 360.81110.00000.44010, debt service \$436,000

The motion to amend carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

Johnson moved to amend FY2016 budget document as follows:

Page 137, Non Departmental, Line-Item Explanations:

"43021 Peninsula Promotion. Funding for Kenai Peninsula Tourism and Marketing Council (KPTMC) for marketing the Kenai Peninsula Borough as a prime destination for tourists on a non-area wide basis includes an additional \$40,000 that is contingent upon upon KPTMC providing a local cash match of \$[40,000]20,000."

The motion to amend carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

The motion to enact Ordinance 2015-19 as amended carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

UNFINISHED BUSINESS

None.

NEW BUSINESS

[2015-028](#) A Resolution Setting the Rate of Levy For Real and Personal Property Taxes for the Kenai Peninsula Borough and for Service Areas Within the Borough for Fiscal Year 2016, Tax Year 2015 (Mayor)

Attachments: [R2015-028](#)

[Memo](#)

Johnson moved to adopt Resolution 2015-028.

President Bagley called for public comment.

Marie McConnell, Sterling spoke in opposition to Resolution 2015-028.

There being no one else who wished to speak, the public comment period was closed.

The motion to adopt Resolution 2015-028 carried by the following vote:

Yes: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Bagley called for public comments with none being offered.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. June 4, 2015 Public Hearing (Proposed Nikiski Law Enforcement Service Area) 6:00 p.m. Nikiski Community Recreation Center, Nikiski
2. June 16, 2015 Regular Assembly Meeting 6:00PM Soldotna

ASSEMBLY COMMENTS

Assembly Member Wolf thanked the Legal Department for the two legal opinions regarding the authority of the borough to spend funds for a proposed K-Beach area high-water relief and prevention feasibility study. He also thanked the Finance Department for their work in presenting a great budget document. Mr. Wolf stated his son was coming home from deployment on September 1.

Assembly Member Johnson echoed the accolades for the Finance Department and stated he was impressed with the work Craig Chapman, Finance Director and his staff had done in putting together a fine budget document. Mr. Johnson stated he appreciated the mayor's continued efforts in holding the budget steady as we have had the same mill rate for four or five years and that was a major achievement. He stated the service areas were having a tougher time. He invited everyone to the Ninilchik Senior Center dinner fundraiser on Saturday, June 6, 2015.

Assembly Member Cooper also thanked the Finance Department for all the work they do and appreciated the department's budget presentation format. She stated she also appreciated her constituents' emails and calls regarding the borough tightening its belt. She stated it was unfortunate they could not fund everyone to the limit they asked for, but it was important to her that she listen to her constituents. She invited everyone to Relay for Life in Homer, June 5-6, 2015.

Assembly Member Haggerty also thanked the Finance Department and stated if the budget document was an airplane, it would be a DeHavilland Otter, since it was such a well constructed document. Mr. Haggerty stated he was proud to be part of the Kenai Peninsula Borough government because he felt the borough was a well-oiled machine and felt this borough worked for the people. He invited everyone to celebrate "Trails Day" on June 6 and encouraged everyone to find a trail and hike it.

Assembly Member Welles stated he was very impressed with borough staff and added a note of gratitude for our borough staff in addition to the comments previously given.

Assembly Member Gilman commended the borough administration and school board

administration on the budget process, as the school budget was the largest piece of the budget. He stated he really appreciated everyone working in goodwill with each other and that the assembly funded the school district to the cap; that was the right thing to do. Mr. Gilman wished everyone a great summer.

Assembly Member Ogle invited everyone to attend the proposed Nikiski Law Enforcement Service Area public hearing on June 4, 2015, 6:00 p.m. at the North Peninsula Recreation Center. He stated he attended the Nikiski graduation and it was great to see the 48 graduates and their parents at that impressive time. Mr. Ogle thanked President Bagley for the budget format that he established this year; he thought the process was superb. Mr. Ogle stated he was very impressed with Mr. Chapman's knowledge of all the departments, as well as the Mayor and his staff. Mr. Olge also thanked the legal department for the legal opinions regarding the K-Beach feasibility study.

Assembly Member McClure stated this was her sixth and final budget process she had been through and it was the best. She stated she was thrilled that the assembly funded the school district to the cap, as it was a good thing. Ms. McClure reminded everyone there was five more weeks to Mt. Marathon. She stated that she and her mother, who would be turning 85 on the 21st, go up the jeep trail on Mt. Marathon every couple days. She stated it was a good use of our trails.

President Bagley stated that he also will be on the trails Friday.

INFORMATIONAL MATERIALS AND REPORTS

None.

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Bagley adjourned the meeting at 9:04 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of June 2, 2015.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____