

Kenai Peninsula Borough

*144 North Binkley Street
Soldotna, AK 99669*



Meeting Agenda

Tuesday, May 7, 2019

6:00 PM

Betty J. Glick Assembly Chambers

Assembly

Wayne Ogle, President

Dale Bagley, Vice President

Norm Blakeley

Kenn Carpenter

Kelly Cooper

Willy Dunne

Paul Fischer

Brent Hibbert

Hal Smalley



Assembly Meeting Schedule

TUESDAY, MAY 7, 2019

- 1:00 PM Budget Work Session #2**
Kenai Peninsula Economic Development Division, Small Business
Development Center, Kenai Peninsula Tourism Marketing Council,
Kenai Peninsula College
- 2:30 PM Finance Committee**
Alaska Permanent Capital Management Presentation (20 Minutes)
Budget Presentation (30 Minutes)
- 3:45 PM Lands Committee**
- 4:00 PM Policies and Procedures Committee**
- 4:15 PM Legislative Committee**
- 6:00 PM Regular Assembly Meeting**

Above listed meetings will be held in:

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula Borough Administration Building
144 North Binkley Street, Soldotna, Alaska



Budget Work Session #2

May 7, 2019

1:00 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

All Assembly Members

AGENDA

- 1:00 PM Kenai Peninsula Economic Development Division**
- 1:15 PM Small Business Development Center**
- 1:30 PM Kenai Peninsula Tourism Marketing Council**
- 1:45 PM Kenai Peninsula College**



Finance Committee

May 7, 2019

2:30 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Kelly Cooper, Chair

Paul Fischer, Vice Chair

Willy Dunne

AGENDA

ITEMS NOT APPEARING ON THE REGULAR MEETING AGENDA

- 1. Alaska Permanent Capital Management Presentation (20 Minutes)

M. PUBLIC HEARINGS ON ORDINANCES

- 1. Ordinance 2018-19-34: Approving the Purchase and Installation of 33 Patient Monitors for the South Peninsula Hospital and Appropriating \$756,000 from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund (Mayor) 20

O. NEW BUSINESS

- 2. Ordinances for Introduction
 - *a. Ordinance 2018-19-35: Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne) (Hearing on 05/21/19) 41
 - *b. Ordinance 2018-19-36: Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor) (Hearing on 05/21/19) 45
 - *c. Ordinance 2018-19-37: Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service

Area Capital Project Fund (Mayor) (Hearing on 05/21/19) 51

*d. Ordinance 2019-09: Amending the Borough's Sales Tax Code to Levy a 12 Percent Tax on Temporary Lodging, Exempt Temporary Lodging Rentals from the General Sales Tax, and Allow Cities that Levy a Similar Sales Tax on Temporary Lodging to Exempt up to One-Half of the Borough Temporary Lodging Tax, Subject to Voter Approval (Bagley) (Hearing on 06/04/19) 55

*e. Ordinance 2019-19: Appropriating Funds for Fiscal Year 2020 (Mayor) (Hearings on 05/21/19 & 06/04/19) 62

[Clerk's Note: Budget Presentation, Brandi Harbaugh, Finance Director (30 minutes)]

3. Other

a. Requesting Formal Assembly Protest to the Transfer of Ownership, Name and Location of Log Cabin Liquor, License Number 2795 to Vitus Energy, LLC due to Proximity on new location to a Church per KPB 7.10.020 (A)(2)(c) 77

*Consent Agenda Items

LTIF ALLOCATION AND LOAN ANALYSIS

May 7, 2019

Kenai Peninsula Borough

TRUSTED ADVISORS ▪ MORE EXPERTS ▪ BETTER ACCESS



LTIF Allocation and Loan Analysis

Summary of Assignment

Provide Kenai Peninsula Borough with a preliminary allocation analysis and analyze the implications of providing a \$500K loan from the LTIF.

KPB Assumptions & APCM Recommendations

Initial KPB Assumptions and Investment Objectives for the LTIF:

- The LTIF's investment objectives include maximizing the LTIF's market value, maintaining a sustainable distribution rate to support LTIF operations, and provide inflation protection for the principal of the LTIF.
- Per Code and the Fund Balance Policy, the LTF may not fall below \$600K in value, and amounts above \$800K may be transferred to the General Fund.
- Loans made by the LTIF are straight line amortized over 10 years at the prime rate (currently 5.5%).
- KPB's initial projections assumed a 6.0% annual return, 1.0% annual inflation, and a distribution rate of 5.00% of the previous year's POMV per year after three years.

APCM Recommendations and Considerations:

- Currently, APCM utilizes 2.0% for the projected long-term inflation rate, which reflects the Federal Reserve's expected long-term inflation target.
- Based on reasonable return assumptions, a 5.00% distribution rate and inflation protection of 2.0% would require a high (85%) equity allocation. In today's investment environment, the risk/reward trade-off for this level of equity exposure is unfavorable.
- Consider a balanced portfolio of 55% stocks and 45% bonds, which can reasonably support a distribution rate of 3.75% of the 5 year average of market values while protecting the LTIF from inflation. Distributions still begin after 3 years as initially projected.

Balanced Portfolio

- The 55% Equity portfolio has exposure to 12 different asset classes utilizing low-cost, liquid funds. These positions are comprised of over 20,000 individual securities, which provides robust diversification across asset classes and securities.
- This portfolio is expected to provide a range of annual returns from -13.0% to 25.4%, to arrive at the long term average return of 6.2%.
- The following simulation incorporates this dispersion of returns to confirm the viability of the long-term plan.



The simulation indicates the portfolio is expected to grow to \$11.3MM over a 10 year horizon.

Monte Carlo simulations are valuable for planning purposes because they **integrate the potential volatility associated with the portfolio**. Returns above and below the average are incorporated, which **allows the Borough to assess the portfolio's ability to meet it's goals in spite of market uncertainty**.

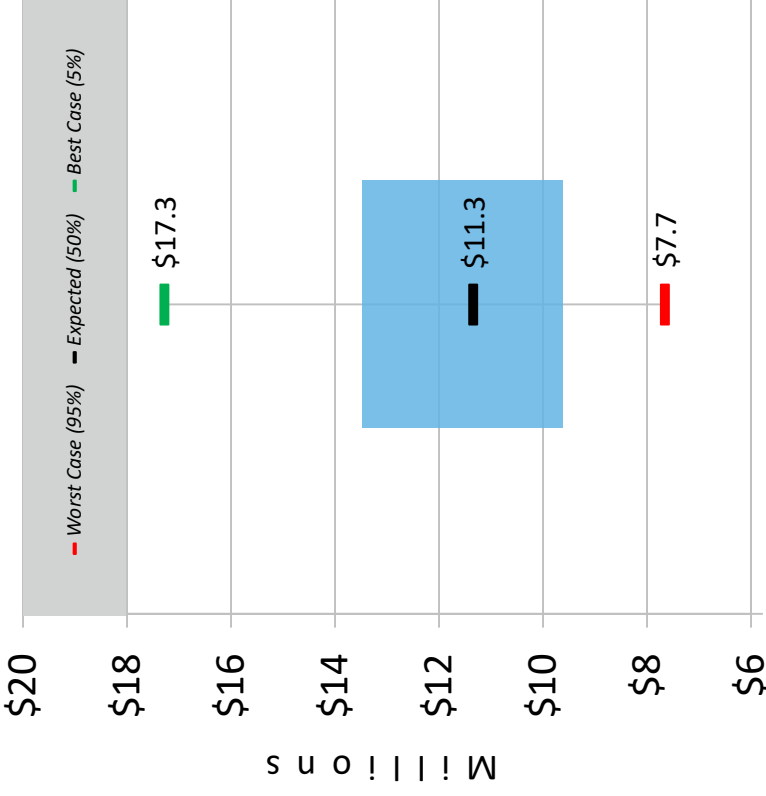
The wealth simulation displays 90% of the potential outcomes, which capture the return paths with the highest frequency of occurring.

At the expected case, **the portfolio's value is \$11.3MM which provides for a 3.75% distribution rate and inflation protection**.

Over a long term horizon, **the 3.75% distribution rate would not allow for portfolio growth beyond inflation protection**.

Even in the worst-case scenario detailed on the right, the portfolio's value would grow by \$2.1MM from the initial deposit (\$5.6MM) over a 10 year horizon.

Monte Carlo Simulation



55% Equity

Expected Case	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Distributions	-	-	-	\$257K	\$280K	\$302K	\$325K	\$348K	\$370K	\$394K

Comparison of Projections

- The following table provides a summary of the key differences between KPB's initial projections and APCM's preliminary asset allocation recommendation for the first 10-year time horizon for your review.

	Original Projections	55% Equity Portfolio	Difference
Contributions from LTF	\$3.825MM	\$3.250MM	-\$575K
Cumulative Distributions	\$3.116MM	\$2.276MM	-\$840K
Transfers to General Fund	\$365K	\$182K	-\$183K
Expected Ending Market Value	\$11.17MM	\$11.34MM	\$170K

Loan from LTIF Cost Analysis

- APCM compared \$5.6MM invested in the 55% Equity portfolio with \$5.1MM invested in the 55% Equity portfolio and a \$500K loan at 5.5% (prime) to analyze the impact to the LTIF should the Borough decide to make funding available from the LTIF.
- If the Borough provides the loan from the LTIF, the ending market value is expected to be \$30K higher, but this occurs because cumulative distributions will be \$88K lower.
- It is also projected that contributions from the LTF will be \$75K lower over the 10-year time horizon.

	55% Equity Portfolio	55% Equity Portfolio with \$500K Loan	Difference
Contributions from LTF	\$3.250MM	\$3.175MM	-\$75K
Cumulative Distributions	\$2.276MM	\$2.188MM	-\$88K
Expected Ending Market Value	\$11.34MM	\$11.37MM	\$30K

Disclosures

Important Assumptions

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

Important Legal Information

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

Other Influences on Rates of Return

Investment management fees: Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

Taxes: Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

Inflation: Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

Limitations Inherent in Model Results

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.



Lands Committee

May 7, 2019

3:45 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Kenn Carpenter, Chair

Norm Blakeley, Vice Chair

Brent Hibbert

AGENDA

O. NEW BUSINESS

2. Ordinances for Introduction

- *f. Ordinance 2019-10: Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC (Mayor) Hearing on 05/21/19) 67

*Consent Agenda Items



Policies and Procedures Committee

May 7, 2019

4:00 PM

Betty J. Glick Assembly Chambers
George A. Navarre Kenai Peninsula
Borough Administration Building

Hal Smalley, Chair

Brent Hibbert, Vice Chair

Kenn Carpenter

AGENDA

K. MAYOR'S REPORT 14

1. Assembly Requests/Responses – None.
2. Agreements and Contracts
 - a. Single Source for Purchase of Rockwell Automation, Enpac 2500 Data Collector to North Coast Electric. 15
 - b. Authorization to Award a Contract for ITB19-019 Sweeping and Removal of Sand, Gravel and Debris from Various Borough Facility Parking Lots: 17

Steam on Wheels (In Soldotna)	
Group 1 (Soldotna)	\$ 5,999.00
Group 2 (Kenai)	\$ 2,799.00
Group 3 (Nikiski)	\$ 2,599.00
Dutch Boy Landscaping (In Homer)	
Group 4 (Homer).....	\$ 6,475.00
Steam on Wheels (In Soldotna)	
Group 5 (Seward)	\$ 4,999.00
Total:	\$22,871.00
 - c. Authorization to Award a Contract for RFP19-004 Homer Landfill Phase 2 Closure to HDR Engineering Inc., Anchorage, AK. 19
3. Other – None.

O. NEW BUSINESS

1. Resolutions

- *a. Resolution 2019-029: Encouraging the Administration's Efforts to Fill Vacancies in Borough Staff (Bagley) 26

*Consent Agenda Items



Legislative Committee

May 7, 2019

4:15 PM

Seward High School Auditorium
Seward, Alaska

Willy Dunne, Chair

Paul Fischer, Vice Chair

Norm Blakeley

AGENDA

O. NEW BUSINESS

1. Resolutions

- *b. Resolution 2019-030: Adopting a Policy to Affirmatively Further Fair Housing (Mayor) 29
- *c. Resolution 2019-031: Supporting Moose Pass School (Carpenter) 34

*Consent Agenda Items



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Draft

Assembly

Wayne Ogle, President
Dale Bagley, Vice President
Norm Blakeley
Kenn Carpenter
Kelly Cooper
Willy Dunne
Paul Fischer
Brent Hibbert
Hal Smalley

Tuesday, April 16, 2019

6:00 PM

Seward High School Auditorium

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

[Clerk's Note: The invocation was given by Carrie Henson.]

ROLL CALL

[Clerk's Note: Assembly Member Fischer attended via phone.]

Present: 9 - Paul Fischer, Dale Bagley, Brent Hibbert, Kenn Carpenter, Norm Blakeley, Kelly Cooper, Hal Smalley, Wayne Ogle, and Willy Dunne

Also present were:

Charlie Pierce, Borough Mayor
James Baisden, Chief of Staff
Colette Thompson, Borough Attorney
Johni Blankenship, Borough Clerk
Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

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

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

Assembly Member Dunne stated the Legislative Committee met and discussed its

agenda item.

APPROVAL OF AGENDA AND CONSENT AGENDA

Bagley moved to approve the agenda and consent agenda.

[KPB-2100](#) April 2, 2019 Regular Assembly Meeting Minutes

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

[2018-19-31](#) An Ordinance Approving and Appropriating Grant Funds Totaling \$23,530.89 from the Alaska Department of Natural Resource for the Volunteer Fire Assistance Program on Behalf of Anchor Point Fire & Emergency Services, Bear Creek Fire Service Area, Kachemak Emergency Service Area, and Nikiski Fire Service Area (Mayor)

[Clerk's Note: The last three Whereas clauses in Ordinance 2018-19-31 were amended to read, "“WHEREAS, at its regular meeting held on April 9, 2019, the Bear Creek Fire Service Area board recommended approval by unanimous consent and

WHEREAS, at its regular meeting held on April 10, 2019, the Nikiski Fire Service Area board recommended approval by unanimous consent; and

WHEREAS, at its regular meeting held on April 11, 2019, the Kachemak Emergency Service Area board recommended approval by unanimous consent; and”.]

This Budget Ordinance was enacted as amended.

[2018-19-32](#) An Ordinance Accepting and Appropriating a Grant from the State of Alaska Department of Commerce, Community and Economic Development in the Amount of \$487,500 and Appropriating \$169,000 from the Central Emergency Service Area FY19 Capital Improvement Project Fund to Purchase a Pumper/Tanker for the Funny River Fire Station (Mayor)

This Budget Ordinance was enacted.

New Business

[2019-028](#) A Resolution, Authorizing the Kenai Peninsula Borough to Intervene in the Enstar Natural Gas Company Homer Extension Surcharge Tariff TA310-4 (Cooper, Dunne)

This Resolution was adopted.

[2018-19-34](#) An Ordinance Approving the Purchase and Installation of 33 Patient Monitors for the South Peninsula Hospital and Appropriating \$756,000 from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund (Mayor) (Hearing on 05/07/19)

This Budget Ordinance was introduced and set for public hearing.

[2019-08](#) An Ordinance Amending KPB 22.40.080 to Have the Mayor's Report Heard Later on the Agenda (Bagley, Cooper) (Hearing on 05/21/19)

This Ordinance was introduced and set for public hearing.

[KPB-2099](#) Authorizing a Letter of Non-Objection of the Issuance of the New Liquor License as Requested by Dirty Skillet, License Number 5765

approved

[KPB-2098](#) Authorizing a Letter of Non-Objection of the Transfer of Ownership and Location of Coldwater Market, License Number 867

approved

Approval of the Agenda and Consent Agenda

President Ogle called for public comment.

Bruce Jaffa, Moose Pass spoke in support of Ordinance 2018-19-31.

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

The motion to approve the agenda and consent agenda as amended carried by the following vote:

Yes: 9 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Cooper, Smalley, Ogle, and Dunne

COMMENDING RESOLUTIONS AND PROCLAMATIONS

None.

PRESENTATIONS WITH PRIOR NOTICE

[KPB-2106](#) LAYDOWN Seward Bear Creek Flood Service Area Annual Report

[Clerk's Note: Stephanie Presley, Program Lead and Mark Ganser, Board Chair presented Seward Bear Creek Flood Service Area's annual report.]

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Ogle called for public comment.

Sue McClure, Seward welcomed the Borough Assembly to Seward.

Sharyl Seese, Seward discussed the proposed animal shelter project in Seward.

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

MAYOR'S REPORT

[KPB-2094](#) Mayor's Report Cover Memo

1. Assembly Requests/Responses - None.
2. Agreements and Contracts - None.
3. Other
 - a. [KPB-2095](#) Litigation Status Report - Quarter Ending 03/31/19
 - b. [KPB-2096](#) Revenue - Expenditure Report - March 2019
 - c. [KPB-2097](#) Budget Revisions - March 2019

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES

[2018-19-33](#) An Ordinance Appropriating Supplemental Funding of \$2,423,955 for the Kenai Peninsula Borough School District Fiscal Year 2019 Budget (Dunne, Smalley)

[Clerk's Note: A teleconference site will be established at the Borough Office in Soldotna (Borough Administration Building, Assembly Chambers) and Homer (206 E. Pioneer, Suite 1) in order to take public testimony on the above referenced Ordinance.]

Cooper moved to enact Ordinance 2018-19-31.

President Ogle called for public comment at the Homer teleconference site.

The following people spoke in support of Ordinance 2018-19-33:

Rachel Lord, Homer
Delane Backstock, Homer
Louie Flora, Homer
Ginny Espenshade, Homer
Karin Sonnen, Homer

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

President Ogle called for public comment at the Soldotna teleconference site, with none being offered.

President Ogle called for public comment in the auditorium.

The following people spoke in support of Ordinance 2018-19-33:

Rodger Painter, Seward
Carrie Hensen, Soldotna
Bruce Jaffa, Moose Pass
Carole Jaffa, Moose Pass
Jason Aigeldinger, Moose Pass
Suzi Towsley, Seward
Minor Child, Seward
Debbie Thomas, Cooper Landing
Linda Hutching, Soldotna
Mike Cooney, Moose Pass
Minor Child, Ninilchik
Eva Sanchez, Moose Pass
Sarah Spanos, Seward
Christy Jordan, Lowell Point
David Brighton, Kenai
Terry Federer, Seward
Linda Corbin, Seward
Selma Asagrarda, Seward
Hillary Bean, Seward
Carol Strickland, Nikiski
David Paperman, Seward
Angela Bond, Moose Pass
Jesse Bjorkman, Nikiski
Julie Depkin, Seward
Stephanie Cronin, Seward

Peg Petersen, Sterling
Karen Corrigan, Seward
Minor Child, Seward
Becky Dunn, Seward
Minor Child, Seward
Debbie Cary, Ninilchik
Mica VanBuskirk, Lowell Point
Jessie Hewit, Seward
Jennifer Desurina, Seward
Maya Benavente, Seward
Heather Shank, Seward

The following people spoke in opposition to Ordinance 2018-19-33:

Julie Denison, Soldotna
Wilma Hampson, Nikiski
Barb Blakeley, Sterling

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

Assembly Members Dunne, Cooper and Smalley spoke in support of Ordinance 2018-19-33.

President Ogle passed the gavel to Vice President Bagley and spoke in opposition to Ordinance 2018-19-33. Vice President Bagley returned the gavel to President Ogle.

Fischer moved to amend Ordinance 2018-19-33.

Amend the Title to read, "An Ordinance Appropriating Supplemental Funding of \$[2,423,955]1,211,978 for the Kenai Peninsula Borough School District Fiscal Year 2019 Budget"; and

Section 1 to read, "The sum of \$[2,423,955]1,211,978 is hereby appropriated from the General fund, Fund balance, to be transferred to the School Fund, account number 241.94910.50241."

The motion to amend Ordinance 2018-19-33 failed by the following vote:

Yes: 4 - Fischer, Carpenter, Cooper, and Ogle

No: 5 - Bagley, Hibbert, Blakeley, Smalley, and Dunne

Cooper moved to amend Ordinance 2018-19-33.

Amend the Title to read, "An Ordinance Appropriating Supplemental Funding of

\$2,423,955, or the Maximum Allowed Pursuant to AS 14.17.410(C), Whichever is Less, for the Kenai Peninsula Borough School District Fiscal Year 2019 Budget"; and

Add a new eighth Whereas clause to read, "as the maximum allowable amount may prove to be less than the amount under the formula in AS 14.17.410(c) this appropriation should be for the maximum allowed by law if that is less than \$2,423,955; and"; and

Amend Section 1 to read, "The sum of \$2,423,955, or the maximum allowed pursuant to AS 14.17.410(c), whichever is less, is hereby appropriated from the General [f]Fund, [F]fund balance, to be transferred to the School Fund, account number 241.94910.50241."

The motion to amend Ordinance 2018-19-33 carried by the following vote:

Yes: 9 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Cooper, Smalley, Ogle, and Dunne

The motion to enact Ordinance 2018-19-33 as amended carried by the following vote:

Yes: 5 - Bagley, Hibbert, Cooper, Smalley, and Dunne

No: 4 - Fischer, Carpenter, Blakeley, and Ogle

UNFINISHED BUSINESS

None.

NEW BUSINESS

Resolutions

[2019-027](#) A Resolution Determining the Amount to be Provided from Local Sources for School Purposes During Fiscal Year 2020 and Approving the Kenai Peninsula Borough School District Total Budget (Mayor)

[Clerk's Note: A teleconference site will be established at the Borough Office in Soldotna (Borough Administration Building, Assembly Chambers) and Homer (206 E. Pioneer, Suite 1) in order to take public testimony on the above referenced Resolution.]

Cooper moved the adopt Resolution 2019-027.

President Ogle called for public comment at the Homer teleconference site.

The following people addressed the assembly regarding Resolution 2019-027:

Rachel Lord, Homer

Delane Blakstock, Homer

Ginny Espenshade, Homer
Karin Soonen, Homer
Louie Flora, Homer

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

President Ogle called for public comment at the Soldotna teleconference site with none being offered.

President Ogle called for public comment in the auditorium.

The following people addressed the assembly regarding Resolution 2019-027:

Linda Hutching, Soldotna
Bruce Jaffa, Moose Pass
Grace Williams, Seward
Mike Paperman, Seward
Mica VanBuskirk, Lowell Point
Mike Coeey, Moose Pass
David Brighton, Kenai
Karen Corrigan, Seward
Maya Benavente, Seward
Debbie Thomas, Cooper Landing
Becky Dunn, Seward
Debbie Cary, Ninilchik
Barbara Blakeley, Sterling
Jesse Bjorkman, Nikiski
Minor Child, Ninilchik

There being one one else who wished to speak, the public comment period was closed.

Assembly Members Bagley, Carpenter, Smalley and Cooper spoke in support of Resolution 2019-027 as written.

President Ogle passed the gavel to Vice President Bagley and spoke in support of Resolution 2019-027 as written. Vice President Bagley returned the gavel to President Ogle.

Assembly Member Dunne spoke in opposition to Resolution 2019-027 as written.
Bagley moved to amend Resolution 2019-027.

Amend the second Whereas clause to read, "the borough is proposing that school

funding from local sources for FY2020 be \$47,314,477 or the maximum allowed pursuant to AS 14.17.410(c), whichever is less."; and

Amend Seciton 2 to read, "That the maximum allowed pursuant to AS 14.17.410(c), or \$47,314,477, whichever is less, shall be made available from local sources to fund school district operations for Fiscal Year 2020 as follows:

- A. Local Effort \$36,266,053
- B. Borough Mainenance 7,773,247
- C. School District Utilities 90,000
- D. Insurance 2,970,178
- E. Audit 95,790
- F. Custodial Services 119,209

Total Local Funding Per AS 14.17.410 \$47,314,477"

The motion to amend Resolution 2019-027 carried by the following vote:

Yes: 9 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Cooper, Smalley, Ogle, and Dunne

The motion to adopt Resolution 2019-027 as amended carried by the following vote:

Yes: 7 - Fischer, Bagley, Hibbert, Carpenter, Blakeley, Smalley, and Ogle

No: 2 - Cooper, and Dunne

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Ogle called for public comment.

Carrie Hensen, Soldotna discussed school funding and climate change.

Barbara Blakeley, Sterling discussed education verses intellegence.

Bruce Jaffa, Moose Pass discussed airport resources.

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

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. April 24, 2019 Material Site Work Group
9:00 AM Betty J. Glick Assembly Chambers, Soldotna, Alaska
2. April 26, 2019 Election Stakeholders Group
10:00 AM Betty J. Glick Assembly Chambers, Soldotna, Alaska
3. May 6, 2019 AK LNG Project Advisory Committee
6:00 PM North Peninsula Recreation Center

4. May 7, 2019 Regular Assembly Meeting
6:00 PM Betty J. Glick Assembly Chambers, Soldotna, Alaska

ASSEMBLY COMMENTS

Assembly Member Dunne thanked everyone for their testimony. He stated he was pleased with the passage of Ordinance 2018-19-33, but had to wait and see if it was going to hold. Mr. Dunne shared a quote from a former Homer representative, Gail Phillips, regarding budget deficits, and school funding.

Assembly Member Fischer stated his participation via phone was very satisfactory. He stated that if funding schools was to the cap, it may be to high and might have to reduce it.

Assembly Member Blakeley wished everyone a good evening.

Assembly Member Cooper thanked the City of Seward for hosting the Assembly. She stated she had always enjoyed coming to Seward. Ms. Cooper wished everyone a good evening.

Assembly Member Smalley thanked the City of Seward for hosting the Assembly. He encouraged everyone to continue to participate in the public testimony process.

Assembly Member Hibbert thanked the City of Seward for hosting the Assembly. He thanked everyone for their testimony and encouraged everyone to stay engaged, even when the budget was not on the agenda.

Assembly Member Carpenter thanked the City of Seward. He stated he voted against Ordinance 2018-19-33 because he wanted to see the additional funding go to the next fiscal year and not the current fiscal year. Mr. Carpenter invited everyone to come to Seward for Kids Day at First Lake, Thursday, May 16, 2019.

Assembly Member Bagley thanked Seward for hosting the Assembly. He thanked everyone for their testimony. Mr. Bagley stated he enjoyed coming to Seward and visiting with former Assembly Member, Sue McClure. Mr. Bagley stated he was in politics since 1994 and learned two important things; one - the budget, and two - it did not matter what politicians said, it mattered what they had done. He stated hopefully they will get the school districted funded to the cap, if not close to the cap.

President Ogle thanked the City of Seward for hosting the Assembly. He thanked the Seward Bear Creek Flood Service Area for their annual report. Mr. Ogle thanked everyone for their testimony, both via phone and in person. He expressed his concerns with some statements made regarding the untruthfulness of budget information. He stated everyone around the dais had good intentions for the borough.

He stated the budget process had just begun and looked forward to the discussion.

INFORMATIONAL MATERIALS AND REPORTS

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Ogle adjourned the meeting at 10:31 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of April 16, 2019.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____

**Kenai Peninsula Borough
Alaska
Proclamation**

WHEREAS, citizens of the Kenai Peninsula Borough recognize the vital role that swimming and aquatic-related activities relate to good physical and mental health and enhance the quality of life for all people; and

WHEREAS, the citizens of the Kenai Peninsula Borough understand the essential role that education regarding the topic of Water Safety, plays in preventing drowning and recreational water-related injuries; and

WHEREAS, the Kenai Peninsula Borough is aware of the contributions made by the North Peninsula Recreation Service Area (Nikiski Pool) in developing safe swimming facilities, aquatic programs, and other related activities providing healthy places to recreate, learn and grow, which contributes to the quality of life in our community; and

WHEREAS, the Nikiski Pool offers year-round swimming lessons to all age groups. In the past eight years, the Nikiski Pool has conducted more than 630 sets of learn to swim lessons, with over 2600 students, and has participated in the annual World's Largest Swimming Lesson program and Water Safety Days to promote water safety awareness; and

WHEREAS, the citizens of the Kenai Peninsula Borough recognize the ongoing efforts and commitments to educate the public on pool and spa safety issues; and

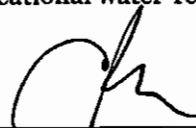
WHEREAS, the citizens of the Kenai Peninsula Borough understand the vital importance of communicating Water Safety rules and programs to families and individuals of all ages as users or visitors of public swimming facilities.

NOW THEREFORE, I, Charlie Pierce, Mayor of the Kenai Peninsula Borough, do hereby proclaim the month of May, 2019 as:

National Water Safety Month

in the Kenai Peninsula Borough, and encourage all citizens to learn the importance of water safety, and its role in preventing drowning and recreational water-related injuries.





Charlie Pierce
Kenai Peninsula Borough Mayor

**Kenai Peninsula Borough
Alaska
Proclamation**

WHEREAS, LifeMed Alaska, is committed to broadening awareness, education and the safety of the residents served on the Kenai Peninsula; and

WHEREAS, uncontrolled bleeding injuries can result from natural and manmade disasters. Hemorrhaging after a traumatic injury is one of the leading causes of death; and

WHEREAS, in working with our residents and businesses, the "Stop the Bleed" campaign will help put knowledge that is gained by first responders and military personnel, into the hands of the public to save lives; and

WHEREAS, research has shown that by providing bystanders with basic tools and information on how to stop life threatening bleeding in emergency situation, residents can become heroic lifesavers even with little or no medical training; and

WHEREAS, our community preparedness is the shared responsibility of government, private and non-profit sectors, as well as individual residents. The goal of this initiative is to build community resilience by empowering the public to employ the simple steps used to stop or slow life-threatening bleeding, and to promote the general public's access to bleeding control kits in public places, while they traveling, or in their own homes; and

WHEREAS, this comprehensive and sustainable bleeding control education and information program will educate residents on how to become "immediate responders" and save lives in emergency situations.

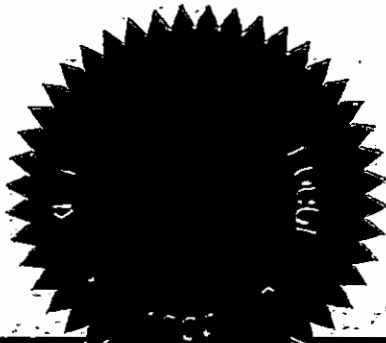
NOW, THEREFORE, I, Charlie Pierce, Mayor of the Kenai Peninsula, do hereby proclaim May 21st, 2019, as

NATIONAL STOP THE BLEED DAY

on the Kenai Peninsula, and encourage our residents to participate in the "Stop the Bleed" initiative to ensure that they are equipped with the skills and the knowledge necessary to stop severe bleeding and to save a life.




Charlie Pierce
Kenai Peninsula Borough Mayor



MAYOR'S REPORT TO THE ASSEMBLY

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Charlie Pierce, Kenai Peninsula Borough Mayor 

DATE: May 7, 2019

Assembly Request / Response

None

Agreements and Contracts

- a. Single Source for Purchase of Rockwell Automation, Enpac 2500 Data Collector to North Coast Electric.
- b. Authorization to Award a Contract for ITB19-019 Sweeping and Removal of Sand, Gravel and Debris from Various Borough Facility Parking Lots:

Steam on Wheels (In Soldotna)	Group 1 (Soldotna)	\$ 5,999.00
Steam on Wheels (In Soldotna)	Group 2 (Kenai)	\$ 2,799.00
Steam on Wheels (In Soldotna)	Group 3 (Nikiski)	\$ 2,599.00
Dutch Boy Landscaping (In Homer)	Group 4 (Homer)	\$ 6,475.00
Steam on Wheels (In Soldotna)	Group 5 (Seward)	<u>\$ 4,999.00</u>
Total:		\$22,871.00

- c. Authorization to Award a Contract for RFP19-004 Homer Landfill Phase 2 Closure to HDR Engineering Inc., Anchorage, AK.

Other

None

**Kenai Peninsula Borough
Maintenance Department**

MEMORANDUM

TO: Charlie Pierce, Borough Mayor
THRU: John Hedges, Acting Purchasing & Contracting Director
FROM: Scott Griebel, Maintenance Department Director
DATE: April 9, 2019
RE: Single Source for Purchase of Rockwell Automation, Enpac 2500 Data Collector

The Kenai Peninsula Borough Maintenance department would like to purchase a replacement data collector, for the purpose of area wide rotating equipment vibration analysis, through North Coast Electric.

KPBM uses the data collector to record measurements related to preventative maintenance diagnosis and are utilized extensively in order to assure smooth equipment operation and extended life. This allows KPBM to replace expensive equipment when failure is anticipated (predictive maintenance), rather than replacing prematurely or after unit failure. Our current unit model has reached end of life and obsolescence due to age and reliance on a no longer supported software platform. The software cannot reside on any computer system utilizing an operating system beyond Windows 7 (also no longer supported). Replacing the Datapac 1500 with an Enpac 2500 will eliminate any need for software training or data migration, allowing retention of historical motor/fan/bearing vibration analysis. This historical data is critical for ongoing predictive analysis and would not be feasible with competing products.

North Coast Electric is the manufacturers recognized distributor of the product for the State of Alaska (Rockwell Automation statement attached) and quoting out of region is not supported by the manufacturer (also described in attached statement).

Please consider and approve the above request to purchase a replacement Enpac Data Collector, for the total purchase amount of \$24,857.68

Funds are available in account 241.41010.48311.

Approved: Charlie Pierce
Charlie Pierce,
Borough Mayor

Date: 4-11-19

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct 241.41010.48311 - \$24,857.68	
BY: <u>mp</u> <u>SAF</u>	DATE: <u>4/10/19</u>

Rockwell Automation
PNW Territory Office
15375 SE 30th Place
Bellevue, WA 98007

**Rockwell
Automation**

7/18/18

Re: North Coast Electric
Rockwell/Allen-Bradley Authorized Distributor

To whom this may concern:

This is to confirm that North Coast Electric is currently the only distributor **appointed and authorized** to sell Rockwell Automation/Allen-Bradley Standard Controls, Drives, PLC/MMI, Software and all services offerings in Alaska. As a matter of Company policy, full factory product and sales support is made available only to the local authorized distributor, and it is Rockwell Automation's practice and policy to always promote and recommend the use of that distributor to customers in that geographic area. Rockwell Automation discourages the use of other non-authorized sources, including distributors who may hold an Rockwell Automation/Allen-Bradley appointment in another locale.

Your local North Coast Electric Service Center has a significant local inventory and a trained staff committed to providing **Rockwell Automation/Allen-Bradley/ISCTriplex** knowledgeable product support. These resources include specific "Rockwell/Allen-Bradley Product Specialists" for products such as MCC's, Variable Speed Drives, Automation Controllers(PLC's), Motor Control, Software, Process Control and the entire broad product offering we provide. The local North Coast Electric Service center also has a significant investment in demonstration equipment and a training lab and can provide local or remote product training and can dispatch Field Service Technicians for warranty work or to assist on commissioning and start-ups. Your local North Coast Electric location is the only "**Authorized**" service center in Alaska that can provide warranty services and support.

Should you have any questions regarding the above, please do not hesitate to contact either North Coast Electric; in Anchorage - Mark Willey at 907-550-6715, in Fairbanks – Mark Middleton at 907-456-4410, or myself, Jason Davis, at 425-280-4680.

Very truly yours,

Jason Davis

Channel Manager – WA/AK/OR Territory
Rockwell Automation

cc: Mark Willey



**Kenai Peninsula Borough
Maintenance Department**

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: John Hedges, Interim Purchasing & Contracting Director
FROM: Scott Griebel, Maintenance Director
DATE: April 16, 2019
RE: Authorization to Award a Contract for ITB19-019 Sweeping and Removal of Sand, Gravel and Debris from Various Borough Facility Parking Lots

The Purchasing and Contracting Office formally solicited and received bids for the project ITB19-019 Sweeping and Removal of Sand, Gravel and Debris from Various Borough Facility Parking Lots. Bid packets were released on March 27, 2019 and the Invitation to Bid was advertised in the Peninsula Clarion on March 27, 2019, the Homer News on March 28, 2019, and the Seward Journal on March 27, 2019.

The project consists of sweeping and removal of sand, gravel, and debris from various borough facility parking lots.

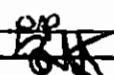
On the due date of April 10, 2019 three (3) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bidders were as follows:

Steam on Wheels (In Soldotna)	Group 1 (Soldotna)	\$ 5,999.00
Steam on Wheels (In Soldotna)	Group 2 (Kenai)	\$ 2,799.00
Steam on Wheels (In Soldotna)	Group 3 (Nikiski)	\$ 2,599.00
Dutch Boy Landscaping (In Homer)	Group 4 (Homer)	\$ 6,475.00
Steam on Wheels (In Soldotna)	Group 5 (Seward)	\$ 4,999.00
Total		\$22,871.00

Your approval for this bid award is hereby requested. Funding for this project is in account number 241.41010.43780.


Charlie Pierce, Mayor

4/17/2019
Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. 241.41010.43780 Amount \$22,871.00	
By: 	Date: 4/16/19

**KENAI PENINSULA BOROUGH
PURCHASING & CONTRACTING**

BID TAB FOR: ITB19-019 Sweeping & Removal of Sand, Gravel & Debris

AREA	CONTRACTOR	BASE BID
Soldotna Area - Group 1	Steam on Wheels	\$5,999.00
Kenai Area - Group 2	Steam on Wheels	\$2,799.00
Nikiski Area - Group 3	Steam on Wheels	\$2,599.00
Homer Area - Group 4	Dutch Boy Landscaping	\$6,475.00
	Steam on Wheels	\$6,999.00
Seward Area - Group 5	Steam on Wheels	\$4,999.00
	AG & BLD Supply	\$11,056.00
	Smithsons	Non-Responsive


DUE DATE: April 10, 2019


KPB OFFICIAL: 
John Hedges, Interim Purchasing & Contracting Director

**Kenai Peninsula Borough
Purchasing and Contracting Department**

MEMORANDUM

TO: Charlie Pierce, Mayor

THRU: John Hedges, Interim Purchasing & Contracting Director 

FROM: Andrew Walsh, Project Manager 

DATE: April 18, 2019

RE: Authorization to Award a Contract for RFP19-004 Homer Landfill Phase 2 Closure

The Purchasing and Contracting Office formally solicited and received proposals for RFP19-004 Homer Landfill Phase 2 Closure. Proposal packets were released and the Request for Proposal was advertised in the Peninsula Clarion and the Anchorage Daily News on March 8, 2019 and in the Homer News on March 7, 2019.


The project consists of performing professional design services for RFP19-004 Homer Landfill Phase 2 Closure. This project will include the design services for an access road, a storm water structure, and the closure of approximately 5.2 acres of landfill area using a geosynthetic clay liner.

On the due date of March 28, 2019 two (2) proposals were received and ranked by a review committee as follows:

<u>FIRM</u>	<u>LOCATION</u>	<u>TOTAL SCORE</u>
HDR Engineering, Inc.	Anchorage, Alaska	220
Nelson Engineering P.C.	Kenai, Alaska	200

The highest ranking proposal, which includes a cost factor, was submitted by HDR Engineering, Inc. with a lump sum cost proposal of \$199,721.06. The proposal review committee recommends award of a contract to HDR Engineering, Inc., Anchorage, Alaska. Your approval for this award is hereby requested.


Funding for this project is in account number 411.32122.19HLC.49311.



Charlie Pierce, Mayor

4/20/2019

Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	411.32122.19HLC.49311
Amount	\$199,721.06
By: 	Date: 4/18/19

Introduced by: Mayor
Date: 04/16/19
Hearing: 05/07/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-34**

**AN ORDINANCE APPROVING THE PURCHASE AND INSTALLATION OF 33
PATIENT MONITORS FOR THE SOUTH PENINSULA HOSPITAL AND
APPROPRIATING \$756,000 FROM THE SOUTH PENINSULA HOSPITAL SERVICE
AREA PLANT REPLACEMENT AND EXPANSION FUND**

WHEREAS, the Kenai Peninsula Borough ("borough") and South Peninsula Hospital, Inc. ("SPH, Inc.") have entered into a Sublease and Operating Agreement for the operation of South Peninsula Hospital and other Medical Facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the service area residents; and

WHEREAS, on April 2, 2019, the borough received notice from SPH, Inc. that its 13-year-old patient monitoring system is experiencing issues; and

WHEREAS, replacement and installation of the 33 patient monitors should occur as soon as possible to ensure there is no disruption to patient care; and

WHEREAS, SPH, Inc. provides patient care for many different acuties and it is important that staff have monitors readily available to ensure that our patients are safely taken care of; and

WHEREAS, the monitors are 13 years old and the service agreement to repair these devices is not renewable; and

WHEREAS, the SPH, Inc. management obtained three quotes from three vendors offering equal quality and functionality and GE was found to have excellent service reviews and additional training availability; and

WHEREAS, sufficient funds are available in the South Peninsula Hospital Plant, Replacement and Expansion Fund to fund this purchase; and

WHEREAS, at its regular meeting of March 27, 2019, the SPH, Inc. board recommended approval of this expenditure by unanimous consent; and

WHEREAS, at its meeting on April 11, 2019, the South Kenai Peninsula Hospital Service Area Board recommended _____;

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

SECTION 1. That the assembly approves the purchase and installation of 33 patient monitors, for a total cost of \$756,000, with the funds for payment to be made from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund.

SECTION 2. That \$756,000 is appropriated from South Peninsula Hospital Service Area Plant Replacement and Expansion Fund, to account 491.81210.19MON.49999 for the purchase and installation of 33 patient monitors.

SECTION 3. That this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:


No:



Absent:

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director 
John Hedges, Acting Purchasing and Contracting Director 

DATE: April 4, 2019

RE: Ordinance 2018-19-34, Approving the Purchase and Installation of 33 Patient Monitors for the South Peninsula Hospital and Appropriating \$756,000 from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund (Mayor)

On April 2, 2019, the borough received notice from South Peninsula Hospital, Inc. ("SPH, Inc.") that its 13-year-old patient monitoring system is experiencing issues. Replacement and installation of the 33 patient monitors should occur as soon as possible to ensure there is no disruption to patient care.

South Peninsula Hospital provides patient care for many different acuities. It is important that staff have monitors readily available to ensure that their patients are safely taken care of. As described in their request of March 21, 2019, their monitors are 13 years old and the service agreement to repair these devices is not renewable. They do not have enough monitors to borrow, and are moving monitors from other departments to care for patients. They have three telemetry packs at present; they originally had five but due to inability to repair, two of these are out of service. Recently, the hard drive failed for the telemetry units and they were unable to transmit telemetry to the central station. They currently are leasing a hard drive while theirs is repaired.

In addition, the emergency department ("ED") has limited ability to monitor end tidal CO₂ (capnography) which is now considered the standard. Replacing all 10 ED monitors will elevate their standard of care, as all monitors in the ED will be able to provide end tidal CO₂. End tidal CO₂ can be used to better assess patients in respiratory distress, cardiac arrest and shock which is needed for immediate assessment of critical patients.

The SPH, Inc. management obtained three quotes from three vendors offering equal quality and functionality, and GE was found to have excellent service reviews and additional training availability.

The Kenai Peninsula Borough and SPH, Inc. have entered into a sublease and operating agreement which requires authorization from the borough assembly to enter into a lease that obligates the borough for more than one year, or in excess of \$100,000. The agreement also requires that all equipment purchases in excess of \$250,000 or more, must be separately approved by the borough assembly.

At its regular meeting of March 27, 2019, the SPH, Inc. board recommended approval of this expenditure by unanimous consent. The South Kenai Peninsula Hospital Service Area Board will hold its next regular meeting on April 11, 2019, and provide its recommendations to the assembly prior to the scheduled hearing on this ordinance.

Sufficient funds will be available in the SPH Plant Replacement and Expansion Fund to support this additional need upon approval by SPH, Inc. board of the transfer of cash on hand in excess of 90 days to the Plant Replacement and Expansion Fund. This ordinance would appropriate \$756,000 for the purchase and installation of 33 patient monitors.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>491.00000.00000.20602</u>
Amount:	<u>\$756,000</u>
<i>Contingent upon SPH Inc. Board approval of transfer of cash in excess of 90 days to the PERF</i>	
By: <u>pp</u>	Date: <u>4/4/19</u>

To: SPH Board of Directors
From: Jim Basch, Int. CFO
Date: March 21, 2019
Re: Patient Monitoring System Replacement Request

In the 2019 capital budget, South Peninsula Hospital requested replacement of its current, 13 year-olds, patient monitor system. The purchase was approved in the capital budget for FY2019. The original capital budget request was for 32 monitors, but after further consideration, the request has been increased to 33 monitors. Replacement should occur as soon as possible to ensure there is no disruption to patient care.

Since these monitors constitute a capital purchase, SPH must follow the traditional steps for submitting capital to the SPH Board of Directors, the Hospital Service Area Board, and the Assembly for approval and fund appropriation.

JUSTIFICATION:

SPH provides patient care for many different acuities. It is important that staff has monitors readily available to ensure that our patients are safely taken care of. The monitors that we have are 13 years old and the service agreement to repair these devices is not renewable. We are short monitors to borrow, and are moving monitors from other departments to care for patients. We have 3 telemetry packs at present, we originally had 5 but due to inability to repair 2 of these are out of service. Recently, the hard drive failed for the telemetry units and we were unable to transmit telemetry to the central station. We currently are leasing a hard drive, while ours is repaired. In addition, the ED has limited ability to monitor End Tidal CO₂ which is now considered the standard. Replacing all 10 Emergency Department monitors will elevate our standard of care, as all monitors in the ED will be able to provide End tidal CO₂. End Tidal CO₂ (Capnography) can be used to better assess patients in respiratory distress, cardiac arrest and shock which is needed for immediate assessment of critical patients.

SPH obtained a quote from GE. The company allows SPH flexibility to select monitors that fit our patient's acuity. The company has Alaska located service representatives and are willing to train our own Biomed person to learn repairs, which will prevent service calls in the future.

GE:	Monitor replacement (33 monitors)	\$663,591.49
GE:	Service Agreement (5 years)	\$ 92,244.25
	Total:	\$755,835.74

This resolution would approve the purchase

Recommended Motion: Pass and Adopt SPH Resolution 2019-03, A Resolution Approving the Purchase and Installation of 33 GE Patient Monitors.

Introduced by: Administration
Date: 03/27/2019
Action: Approved
Vote: Yes – 9, No – 0,
Excused - 1

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2019-03**

A RESOLUTION APPROVING THE PURCHASE AND INSTALLATION OF 33 GE PATIENT MONITORS

WHEREAS, the South Peninsula Hospital (Hospital) is experiencing issues with the current, 13-year-old patient monitor system; and

WHEREAS, readily available, high-functioning patient monitors are essential to providing safe patient care; and

WHEREAS, the service agreement to repair these monitors is non-renewable, SPH Management is recommending the replacement of the system; and

WHEREAS, this project was originally budgeted over FY19 to include 32 monitors at a cost of \$687,452; and

WHEREAS, SPH has sufficient cash, with ‘Days Cash on Hand’ at 94 days as of 02/28/19, for which to fund the patient monitors; and

WHEREAS, SPH Management has obtained quotes from three vendors offering equal quality and functionality, and GE was found to have excellent service reviews and additional training availability; and

WHEREAS, SPH Management is recommending the GE quote acceptance for \$663,591.49 for 33 monitors to include products and installation with a 5-year service agreement at \$92,244.25; and

WHEREAS, Management has recommended the purchase and installation of 33 GE Patient Monitors; and

WHEREAS, per the Sublease and Operating Agreement, SPH is required to take this request to the Service Area Board (SAB) and Assembly for final approval;

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

1. That Management is authorized and directed to accept the quotes from GE for the purchase and installation of 33 patient monitors on behalf of the Hospital, following approval from the SAB and Borough Assembly.
2. That Management is hereby authorized to take any other actions that are necessary or desirable to achieve the intent of these Resolutions.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 27th DAY OF March, 2019.

ATTEST:

Bernadette Wilson, Secretary

David Groesbeck, Board President

Introduced by: Bagley
Date: 05/07/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-029**

**A RESOLUTION ENCOURAGING THE ADMINISTRATION'S EFFORTS TO FILL
VACANCIES IN BOROUGH STAFF**

- WHEREAS,** historically the borough has consistently had a large variance between the amount of funds budgeted for the borough and the amount of funds actually spent in a fiscal year, resulting in excess funds lapsing to the general fund; and
- WHEREAS,** the Comprehensive Annual Financial Report almost always shows the borough has done better fiscally then projected in the budget; and
- WHEREAS,** if the assembly had wanted positions cut from borough government it would not have funded them last year; and
- WHEREAS,** after Governor Dunleavy's proposed budget was released on February 13, 2019, the borough administration established a hiring freeze on all open positions in the borough along with taking other steps to decrease spending until it could identify how the state budget may impact the borough; and
- WHEREAS,** there are currently 11 vacant positions at the borough which is increasingly impacting the remaining personnel; and
- WHEREAS,** while the assembly recognizes the need to be prudent with borough funds in light of Governor Dunleavy's proposed substantial funding reductions to local governments, it appears the legislature may not support a large number of those reductions; and
- WHEREAS,** a small increase to the mill rate was approved by the assembly in 2018 and the assembly and mayor have considered other revenue sources over the years; and
- WHEREAS,** the borough's fund balance is currently within the approved range, and increases in sales tax revenues are expected to continue to improve the borough's fiscal outlook and
- WHEREAS,** if the vacant positions are not filled, productivity and morale will worsen at the borough and there will likely be long term consequences; and
- WHEREAS,** while filling these position is within the mayor's sole purview, the assembly wishes to confirm its support for the mayor to fill those positions at this time;

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

SECTION 1. The assembly encourages the mayor to fill the vacant open positions at the borough as soon as possible.

SECTION 2. That this resolution shall become effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Projected
	51,908,161	61,059,771	56,289,138	61,979,424	65,969,603	68,827,100	69,665,702	68,733,022	71,421,875	71,811,378	72,853,367	75,216,632	76,748,476	76,789,362	78,833,035
	51,861,978	54,743,798	56,384,924	63,778,656	65,833,369	68,953,645	69,137,387	69,203,160	71,768,745	72,469,383	76,446,545	75,797,270	78,025,302	79,582,771	82,025,594
	54,045,300	56,883,202	64,913,636	66,420,270	69,797,834	68,876,056	70,090,763	70,144,508	72,646,851	76,617,782	77,333,072	75,751,849	75,827,616	80,209,640	82,025,594
	57,248,980	60,150,634	58,738,733	63,132,742	68,277,216	71,227,845	73,034,781	71,411,221	72,929,528	73,275,397	74,875,236	79,845,258	79,850,769	81,849,051	80,703,869
	58,400,456	58,348,990	59,570,188	64,330,073	70,720,086	72,204,830	74,100,427	74,255,346	75,660,655	76,974,806	80,898,322	82,123,748	82,531,326	84,152,549	80,703,869
	57,208,768	58,787,022	59,906,775	62,252,358	69,119,691	70,988,850	71,410,372	70,383,739	70,802,449	75,047,395	74,075,810	78,111,647	78,372,425	80,643,668	82,459,386
	17,189,123	15,285,303	20,292,163	24,460,074	25,138,217	23,025,423	21,705,814	21,466,583	23,310,985	24,881,372	28,138,634	25,778,836	23,234,027	22,799,999	23,423,605
	33,744,607	34,973,682	37,941,676	37,701,117	41,146,945	42,983,376	42,588,135	43,251,135	43,000,000	43,500,000	44,013,525	48,238,432	48,238,432	49,738,432	49,738,432
	17,189,123	15,285,303	20,292,164	24,460,075	25,138,217	23,025,423	21,705,814	21,466,583	23,310,985	24,881,372	28,138,634	25,778,836	23,234,027	22,799,999	22,366,207
	-	-	1	1	-	-	-	-	-	-	-	-	-	-	(1,057,398)

Introduced by: Mayor
Date: 05/07/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-030**

**A RESOLUTION ADOPTING A POLICY TO AFFIRMATIVELY FURTHER FAIR
HOUSING**

WHEREAS, grant funds received from the federal government must comply with national policy requirements, including Title VIII of the Civil Rights Act of 1968 as amended and Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301–5320); and

WHEREAS, discrimination because of age, race, color, sex, religion, national or ethnic origin, familial status, disability, sexual orientation, gender identity, or marital status is prohibited in the sale, rental, leasing or financing of housing or land to be used for construction of housing or in the provision of brokerage services; and

WHEREAS, the borough is required to adhere to national policies and grant program regulations, ensuring that actions affirmatively furthering fair housing are practiced in borough land development or land sale projects to the extent authorized by law;

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

SECTION 1. To the extent authorized by law and within available resources, a policy is hereby adopted that the borough will assist all persons who feel they have been discriminated against because of age, race, color, sex, religion, national or ethnic origin, familial status, disability, sexual orientation, gender identity, or marital status to seek equity under federal and state laws.

SECTION 2. To the extent authorized by law and within available resources, the borough will work with existing state entities whose goal is to further fair housing development.

SECTION 3. This resolution shall be publicized for general awareness of respective responsibilities and rights under the Title VIII of the Civil Rights Act of 1968 as amended, the Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C.5301–5320) and any applicable state or local laws that may be imposed upon real estate owners, developers and builders.

SECTION 4. This resolution supersedes and replaces Resolution 2013-058.

SECTION 5. This resolution becomes effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:


No:


Absent:

Kenai Peninsula Borough
Community & Fiscal Projects

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 

FROM: Brenda Ahlberg, Community & Fiscal Projects Manager 

DATE: April 25, 2019

SUBJECT: Resolution 2019-030, Adopting a Policy to Affirmatively Further Fair Housing (Mayor)

The borough accepted and appropriated a federal pass-through grant from the Alaska Department of Commerce, Community and Economic Development under the U.S. Housing and Urban Development, "Community Development Block Grant" (CDBG) program for \$487,500 by way of Ordinance 2018-19-32. The grant will supplement the purchase of a pumper/tanker for the CES Funny River Fire Station #5. National policy requirements are imposed upon all federal grants, including the CDBG program.

This resolution updates the borough's former policy to affirmatively further fair housing as adopted by Resolution 2013-058. Additionally, this resolution recognizes the extent to which the borough may participate in furthering fair housing development and reflects national policy compliance as governed in the Catalogue of Federal Register, 24 C.F.R. Subtitle B, Chapter V, Subchapter C, Part 570.

Upon approval, this resolution replaces KPB Resolution 2013-058.

Attachment: R2013-058

Introduced by:	Mayor
Date:	07/02/13
Action:	Adopted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2013-058**

**A RESOLUTION ADOPTING A POLICY TO AFFIRMATIVELY FURTHER
FAIR HOUSING**

WHEREAS, grant funds received from the federal government must comply with national policy requirements, including Title VIII of the Civil Rights Act of 1968 as amended and Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C.5301–5320); and

WHEREAS, discrimination because of race, color, religion, sex, family status, national origin or handicap status is prohibited in the sale, rental, leasing or financing of housing or land to be used for construction of housing or in the provision of brokerage services; and

WHEREAS, the borough is required to adhere to national policies and grant program regulations, ensuring that actions affirmatively furthering fair housing are practiced in borough land development or land sale projects to the extent authorized by law;

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

SECTION 1. To the extent authorized by law and within available resources, a policy is hereby adopted that the borough will assist all persons who feel they have been discriminated against because of race, color, religion, sex, family status, national origin or handicap status, to seek equity under federal and state laws.

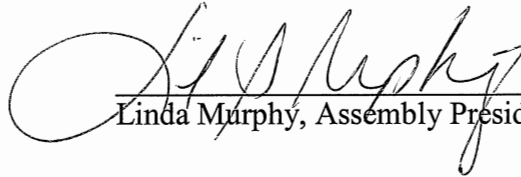
SECTION 2. To the extent authorized by law and within available resources, the borough will work with existing state entities whose goal is to further fair housing development.

SECTION 3. This resolution shall be publicized for general awareness of respective responsibilities and rights under the Title VIII of the Civil Rights Act of 1968 as amended, the Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C.5301–5320) and any applicable state or local laws that may be imposed upon real estate owners, developers and builders.

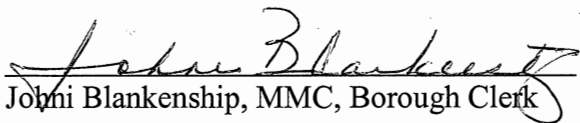
SECTION 4. This resolution supersedes and replaces Resolution 96-038.

SECTION 5. This resolution becomes effective immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF JULY, 2013.


Linda Murphy, Assembly President

ATTEST:


Johni Blankenship, MMC, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Wolf
No: None
Absent: None

Introduced by: Carpenter
Date: 05/07/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
RESOLUTION 2019-031**

A RESOLUTION SUPPORTING MOOSE PASS SCHOOL

WHEREAS, the Moose Pass Territorial School was built in Moose Pass, Alaska in approximately 1930 and is located within the Kenai Mountains-Turnagain Arm National Heritage Area Corridor; and

WHEREAS, Moose Pass School is the oldest continually used school building in the Kenai Peninsula School District currently serving approximately 16 students in grades K-7; and

WHEREAS, according to the 1993 Comprehensive Plan for Moose Pass, approximately 45 students attended Moose Pass School; and

WHEREAS, on May 20, 2010, Governor Sean Parnell issued an Executive Proclamation proclaiming May 20, 2010, as ‘Moose Pass Territorial School Day’; and

WHEREAS, maintaining funding for Moose Pass School ensures the school, housed in a historic building, will continue to operate as a place of learning;

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

SECTION 1. That the Kenai Peninsula Borough Assembly supports the efforts by the Kenai Peninsula Borough School District to continue operation of Moose Pass School in its current location.

SECTION 2. That a copy of this resolution will be provided to the Kenai Peninsula Borough School Board Members and Sean Dusek, Superintendent.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF MAY, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Moose Pass School*PO Box 46 Moose Pass, AK 99631***Home****Welcome to MoosePassSchool**

We are a K-8 school but currently serve approximately 18 students in grades K-7. We have one teacher this year, Ms. Sandra Barron will be teaching all grades with the help of a full-time teacher's aide.

Through the skills of our teaching staff we are able to provide our students instruction in all core areas of the curriculum plus technology, P.E., music, and the humanities. We also have a strong volunteer program which makes it possible to receive more tutoring and help than children in large schools usually get.

We welcome the public to our school and just ask that you first check-in at the school office.

Moose Pass School
P.O. Box 46
Moose Pass, AK 99631
907.288.3183
907.288.3607 FAX



April 16, 2019

Assemblyman Kenn Carpenter
Kenai Peninsula Borough Assembly
Kenai Peninsula Borough Assembly
144 N. Binkley Street
Soldotna, AK 99669

Re: Moose Pass School Funding Support

Dear Assemblyman Carpenter & KPB Assembly Members

The Kenai Mountains-Turnagain Arm National Heritage Area Corridor Communities Association (KMTA) recognizes the cultural and historic significance of rural public schools and the role quality education for children has in creating vibrant and healthy communities. It has come to our attention that Moose Pass School is at risk of closing and subsequently consolidating with William H. Seward Elementary School due to proposed state-wide budget cuts.

KMTA requests the Kenai Peninsula Borough Assembly maintain funding for Moose Pass School and ensures the school, housed in a historic building, continues to operate as a place of learning now and into the future. To not do so would negatively alter the educational, economic, and cultural fabric of the community.

As detailed in the State of Alaska Executive Proclamation by Governor Sean Parnell on May 20, 2010, the historic importance of Moose Pass School is significant. Moose Pass children attend classes in the oldest continually used school building in the Kenai Peninsula School District. For 89 years, the school has provided an excellent public education to the community's children.

Schools within the KMTA communities of Moose Pass, Hope, Cooper Landing, Seward, Whittier, and Girdwood serve as the anchor and heart of our National Heritage Area. These schools provide a venue for community residents and students to interact

through educational based activities such as science fairs, spelling bee competitions, athletic events, holiday-themed carnivals, and musical performances. The community gathers on school grounds for fundraisers to aid in generating funds to pay for extracurricular activities. The lands found within the National Heritage Area provide an expansive educational platform that can range in topic from natural science, to history, and to world-class recreational education opportunities.

I am hopeful the Kenai Peninsula Borough will ensure funding for Moose Pass School is maintained and continues to serve the children, families, and residents of this community. Thank you for your kind consideration.

Sincerely,

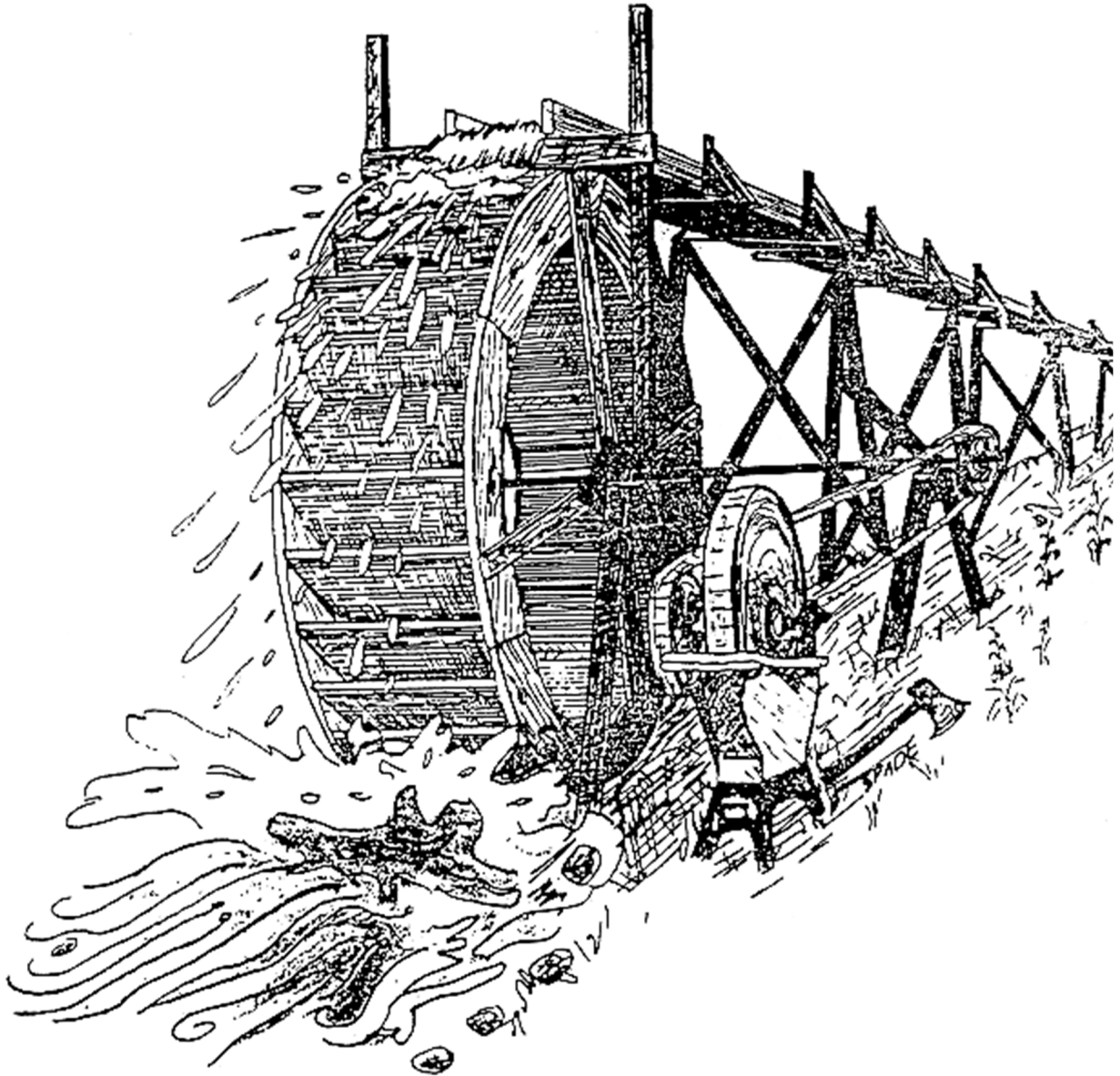


Jessica Szelag
Executive Director
KMTA National Heritage Area

cc: KPB Assembly Clerk
cc: KMTA Board of Directors

**COMPREHENSIVE PLAN
MOOSE PASS**

February, 1993



**Prepared by:
Moose Pass Advisory Planning Commission**

**For:
Kenai Peninsula Borough**

ACKNOWLEDGEMENTS

Borough Administration

Don Gilman, Mayor
Richard Troeger, Planning Director

Moose Pass Advisory Planning Commission

Jeff Estes
Lory B. Leary
Irene Lindquist
Ellen O'Brien
Ann Painter
Rick Smeriglio, Chairman
Mark Stauble, Vice Chairman

Borough Staff

Jane Gabler, Planner
Nancy Jungmann, Administrative Assistant

I BACKGROUND and OBJECTIVES

A. Public Services and Facilities

1. *Education*

Moose Pass currently has a Borough elementary school for grades K through 8 and has approximately 45 students. The community has expressed strong support for maintaining the current grade levels including junior high. The Moose Pass Parent Advisory Committee has reserved the option of participating in the Seward Middle School Concept Plan. This option would give families who choose to send their children to Seward, a program they would approve. The community favors expansion of the school when necessary. The current building is paid for, but may not meet future needs as enrollment increases. In the 1991 survey, the community did not support the option of choosing a new school site. The school continues to be a focus for community functions.

Introduced by: Cooper, Dunne
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-35**

**APPROPRIATING FUNDS TO THE LEGAL DEPARTMENT FOR COSTS
ASSOCIATED WITH HIRING OUTSIDE COUNSEL TO REPRESENT THE KENAI
PENINSULA BOROUGH IN THE TARIFF REVISION DESIGNATED AS TA310-4
FILED BY ENSTAR NATURAL GAS COMPANY WITH THE REGULATORY
COMMISSION OF ALASKA, MATTER NUMBER U-19-014**

WHEREAS, in Resolution 2019-028 the assembly authorized the Kenai Peninsula Borough (“borough”) to intervene in Enstar Natural Gas Company’s (“Enstar”) Tariff Revision Designated as TA310-4, before the Regulatory Commission of Alaska (“RCA”), matter number U-19-014, regarding the Homer Extension Surcharge (“surcharge”); and

WHEREAS, the borough contracted with the law firm of Birch Horton Bittner & Cherot, P.C. (“Birch Horton”) to represent the Kenai Peninsula Borough jointly with the City of Homer and Kachemak City (“petitioners”) in this RCA matter; and

WHEREAS, the deadline to intervene in that matter was April 22, 2019; and

WHEREAS, on April 18, 2019, Birch Horton filed a joint petition on behalf of petitioners to intervene in the RCA matter; and

WHEREAS, as discussed by the assembly during the legislative committee meeting of April 16, 2019, if the assembly approved Resolution 2019-028 the borough would pay one-third of the attorney fees incurred in this matter while it is represented by Birch Horton; and

WHEREAS, the assembly approved Resolution 2019-028 and attorney fees were incurred beginning April 17, 2019 for the motion to intervene and will continue to be incurred for representing the borough in this matter; and

WHEREAS, this is a specialized area of law and the continuing services and expertise of Birch Horton will be needed to adequately represent the borough’s interest in this matter; and

WHEREAS, it is estimated that at this time funds of up to approximately \$33,333 may be needed to pay the borough’s one-third of the fees and costs incurred by outside counsel on behalf of the borough; and

WHEREAS, the legal department has \$16,486.69 remaining from the previous cases before the RCA which are available to be transferred for use in this case; and

WHEREAS, an additional \$16,847 would fund the remaining estimated amount needed should the case go to a hearing or be resolved through extended settlement negotiations;

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

SECTION 1. The sum of \$16,486.69 may be transferred from account number 100.11310.17RCA.49999 to account number 100.11310.19RCA.49999.

SECTION 2. The sum of \$16,847 is hereby appropriated from the General Fund's fund balance to account number 100.11310.19RCA.49999 for fees and costs associated with hiring outside counsel to represent the borough in Enstar's tariff revision matter number TA310-4 filed with the RCA.

SECTION 2. That this ordinance shall become effective retroactively on April 17, 2019.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Kelly Cooper, Assembly Member (1/3) for K.C.
Willy Dunne, Assembly Member (1/3) for W.D.

DATE: April 25, 2019

RE: Ordinance 2018-19-35, Appropriating Funds to the Legal Department for Costs Associated with Hiring Outside Counsel to Represent the Kenai Peninsula Borough in the Tariff Revision Designated as TA310-4 Filed by Enstar Natural Gas Company with the Regulatory Commission of Alaska, Matter Number U-19-04 (Cooper, Dunne)

During its April 16, 2019 meeting, the assembly approved Resolution 2019-028 which authorized the borough to intervene in the Enstar Natural Gas Company Homer Extension Surcharge Tariff Revision before the Regulatory Commission of Alaska ("RCA").

During the committee meeting in which this was discussed, the assembly was informed that if the borough does intervene in this matter it would be expected to split the costs of the attorneys' fees charged by Birch Horton Bittner & Cherot with the City of Homer and Kachemak City with each municipality paying one-third. The estimated ranges given were \$30,000 for the initial drafting and submission of the intervention and limited other work. If that does not resolve the case it is estimated that, at most, the cost would be \$100,000 for the continued representation of the municipalities through the hearing, including putting on witnesses or extensive negotiations.

This ordinance would authorize the transfer of the \$16,486.69 previously appropriated the legal department for a different RCA tariff dispute that has been resolved. Additionally, it would appropriate the sum of \$16,847 from the General Fund, fund balance for a total of \$33,333.69 in the event the full amount is needed for this matter. Any funds unspent would lapse to the General Fund upon closure of the case.

This ordinance is effective retroactively to April 17, 2019, as that is the day after the assembly approved the borough's participation in this case and the

April 25, 2019

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Re: O2018-19- 35

attorneys, in reliance upon that action, immediately revised their work to include the borough in the motion for intervention.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>100.27910</u>
Amount:	<u>\$ 16,847.00</u>
Acct. No.	<u>100.11310.17RCA.49999</u>
Amount:	<u>\$ 16,486.69</u>
By: <u>pp</u>	Date: <u>4/24/19</u>

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-36**

**AN ORDINANCE APPROPRIATING COMMERCIAL PASSENGER VESSEL TAX
PROCEEDS RECEIVED FROM THE STATE OF ALASKA IN THE AMOUNT OF
\$558,070 AND ALLOCATING \$522,255 TO THE CITY OF SEWARD AND
\$35,815 TO THE CITY OF HOMER**

WHEREAS, in the August 22, 2006 state election, the voters approved the initiative in Ballot Measure 2, enacting AS 43.52.200 – 43.52.295, which imposed a tax on travel aboard certain cruise ships travelling in Alaska waters; and

WHEREAS, the Alaska legislature has authorized the sharing of Commercial Passenger Vessel (“CPV”) excise tax collections with eligible ports of call in the state; and

WHEREAS, CPV excise tax collections are derived from taxes imposed on cruise ship passengers; and

WHEREAS, the City of Seward and City of Homer are eligible ports of call for receiving CPV funds; and

WHEREAS, when the eligible ports of call are cities located in a borough, the cities and the borough each receive \$2.50 for each passenger; and

WHEREAS, the total amount received by the borough from the State of Alaska for the 2018 calendar CPV programs was \$558,070; and

WHEREAS, the City of Seward and City of Homer have requested that funds received by the borough that are derived from cruise ship passengers in each city be appropriated to each city for port improvement projects; and

WHEREAS, the intended use of these funds by the cities of Seward and Homer will comply with AS 43.52.230(b), federal legislation and court rulings that permit the use of these funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels;

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

SECTION 1. That the mayor is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intents and purposes of this ordinance.

SECTION 2. That \$558,070 received from the State of Alaska in FY2019 for the commercial passenger vessel excise tax collection program be appropriated from the miscellaneous grant fund balance to account 271.94910.19CPV.43011, contract services, for payment to the City of Seward in the amount of \$522,255 and to the City of Homer in the amount of \$35,815 to be used for port facilities, harbor infrastructure and other services provided to the commercial passenger vessels and their passengers.

SECTION 3. This ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS *
DAY OF * 2019.**

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough

Community & Fiscal Projects

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *Ch*
Brandi Harbaugh, Finance Director *BA*

FROM: Brenda Ahlberg, Community & Fiscal Projects Manager *BWA*

DATE: April 25, 2019

RE: Ordinance 2018-19-36, Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$558,070 and Allocating \$522,255 to the City of Seward and \$35,815 to the City of Homer (Mayor)

In the August 22, 2006 election, the Alaska voters approved the initiative in Ballot Measure No. 2, which imposed a tax on passengers travelling for at least 72 hours aboard a vessel with 250 or more berths, that anchors or moors in Alaska waters with the intent to allow passengers to disembark. The initiative enacted statutes AS 43.52.200 - AS 43.52.295 that provide for the levy and collection of this tax and the disposition of the proceeds. The taxes are deposited into a state fund called the Commercial Passenger Vessel ("CPV") tax account. A portion of the proceeds are disbursed to the first seven ports of call each year. If ports of call are located in a city within a borough, \$2.50 per passenger is distributed to the city and to the borough in which the city is located. Both the City of Seward and the City of Homer have qualified for these funds, and the Borough has accordingly received proceeds from the CPV account.

The tax proceeds collected for the borough have been awarded to the City of Seward and City of Homer by way of grant agreements since 2007. Each city has provided a request letter describing funding intent for eligible projects (enclosed). The cities must confirm that the use of funds will comply with State of Alaska Department of Commerce, Community & Economic Development, "Commercial Vessel Passenger Tax Program" as governed by AS 43.52.200 - 43.52.295; specifically, AS 43.52.230 (b), "shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels."

Page -2-
April 26, 2019
Re: O2019-18- 36

This ordinance will approve the 2018 calendar year appropriations to be allocated to the City of Seward and the City of Homer, which will be executed by way of grant agreements. The Community & Fiscal Projects Manager shall oversee the program.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Acct. No.	<u>271.94910.19CPV.49999</u>
Amount:	<u>N/A</u>
By:	<u>pp</u> Date: <u>4/19/19</u>



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 26, 2019

Brenda Ahlberg
Kenai Peninsula Borough
144 N. Binkley
Soldotna, Alaska 99669

RE: Cruise ship passenger tax proceeds

Dear Ms. Ahlberg,

On behalf of the community of Seward, I would like to thank the Borough Assembly and administration for allocating the Commercial Passenger Vessel (CPV) excise tax to the cities of Seward and Homer, based on their pro-rata share of cruise ship passengers visiting each port. These funds have been critical to Seward's ability to provide improvements to our port infrastructure in support of cruise ships and their passengers.

The City of Seward was asked to submit a letter requesting their allotment of 2018 cruise ship commercial passenger vessel excise tax proceeds, and to identify the intended use of these funds. AS 43.52.230(b) requires that "a city or borough that receives a payment under this subsection shall use the funds for port facilities, harbor infrastructure, and other services provided to the commercial passenger vessels and the passengers on board those vessels." Seward's planned use of these 'ports-of-call' funds will entirely meet these requirements. We have identified the following projects for utilization of CPV funds, including: 1) replacement of launch ramps in the harbor; 2) shuttle bus transportation for cruise passengers and crew, including preparation of maps showing location of bus stops; 3) ambulance services for cruise vessel responses by SVAC and SVFD; 4) cruise visitor impacts to Port Avenue and library; 5) wayfinding directional signs and information; 6) dock maintenance and repairs; and other port and harbor infrastructure needs.

We appreciate your support of our request, and look forward to working with you to enhance facilities for the cruise ship industry in our region.

Sincerely,



Norm Regis, Interim City Manager



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue

Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

April 9, 2019

Honorable Mayor Charlie Pierce
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

SUBJECT: 2018 Cruise Passenger Tax Receipts

Dear Mayor Pierce,

I am writing to confirm that the City of Homer wishes to receive the 2018 Commercial Vessel Passenger Tax receipts from the Borough. It is our understanding that you will be sponsoring an ordinance that would make the Borough's share of these tax receipts for vessel landings in Homer available to the City. The City appreciates that and understands that the amount to be passed through for calendar year 2018 is \$35,815.

The City of Homer recognizes that these funds must be used for port and harbor improvements that directly benefit cruise ship passengers. The City agrees to comply with the provisions contained in AS 43.52.200 – 43.52.295 and former SB 256 and HB 310. It is the City's intention to apply 2018 funds from the Borough and the State to reimburse the Port and Harbor Enterprise fund for the construction of Ramp 2 restroom.

This project was recently completed (see attached images). Located at the center of the retail area on the Homer Spit and at the launching point for many recreational day trips, Ramp 2 is heavily used by cruise ship passengers when they are in port.

Using the funds in this manner has been previously approved by the Borough and the State. The City of Homer greatly appreciates the opportunity to pool these funds to be able to make meaningful improvements for passengers and leverage funds. In this project, the City's Commercial Passenger Vessel Tax funds leveraged Federal Land and Water Conservation Fund dollars for a 1:1 match. If cruise ship traffic remains constant, the City expects to have reimbursed the Enterprise for the CPV portion of Ramp 2 restroom by 2021.

Thank you in advance for your time and consideration. Please do not hesitate to contact me if you have any questions.

Sincerely,

Katie Koester
City Manager

Enc: Ramp 2 Restroom Project Summary

Cc: Brenda Ahlberg, KPB Community and Fiscal Projects Manager

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2018-19-37**

**AN ORDINANCE APPROVING A SOLE SOURCE AND APPROPRIATING FUNDS
FOR THE PURCHASE OF A TANKER PUMPER FROM THE KACHEMAK
EMERGENCY SERVICE AREA CAPITAL PROJECT FUND**

- WHEREAS,** Kachemak Emergency Service Area (“KESA”) has the opportunity to purchase a stock unit fire apparatus tanker/pumper to replace its failing non-serviceable tanker on the west side of the service area immediately, while recognizing a substantial savings over the originally anticipated cost; and
- WHEREAS,** KESA has been planning for the purchase of a tanker/pumper to replace the 1980 Spartan tanker acquired in 2009 from the City of Valdez surplus, and was proposing this purchase be appropriated through the fiscal year 2020 annual budget; and
- WHEREAS,** in April, 2019 KESA received notice from the Rosenbauer America Manufacturer that a stock unit custom tanker/pumper that meets almost all of KESA’s specifications had just become available for purchase and was being offered at a discount price; and
- WHEREAS,** the dual feature/functionality of this unit as a tanker/pumper will replace the existing tanker and still meet the International Organization for Standardization (“ISO”) requirements for maintaining KESA’s Public Protection Classification rating of a five, as well as offer greater functionality and maneuverability for the area than the apparatus that would have been built and purchased through the FY2020 budget; and
- WHEREAS,** KESA has negotiated with the supplier to include all necessary add-ons to this apparatus to meet the needs of KESA at no additional cost; and
- WHEREAS,** the existing tanker will potentially be removed from service due to safety and inoperability in the near future, and this purchase will allow KESA to keep continuity of fire protection for the west side of the service area and maintain a lowered ISO Rating; and
- WHEREAS,** when compared to the Houston-Galveston Area council (HGAC) Cooperative pricing, the cost of the pumper/tanker offered by Rosenbauer America cost less than then that of a custom built pumper/tanker with the same specifications if ordered directly from the manufacture; and

WHEREAS, at its regular meeting of April 11, 2019, the KESA board recommended approval of this expenditure by unanimous consent;

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

SECTION 1. That the assembly approves the sole source purchase of a Rosenbauer America pumper/tanker for Kachemak Emergency Service Area.

SECTION 2. That \$300,000 is appropriated from Kachemak Emergency Service Area Operating Fund, fund balance to be transferred to the KESA Capital Project Fund account number 446.51810.19PMP.49999 for the purchase of a pumper/tanker.

SECTION 3. That \$201,000 is appropriated from Kachemak Emergency Service Area Capital Project Fund, fund balance to account number 446.51810.19PMP.49999 for the purchase of a pumper tanker, with a total project allocation of \$501,000.

SECTION 4. That this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Kachemak Emergency Service Area

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*

FROM: Bob Ciccarella, KESA Fire Chief *BC*
John Hedges, Acting Purchasing and Contracting Director *JH*
Brandi Harbaugh, Finance Director *BA*

DATE: April 25, 2019

RE: Ordinance 2018-19.3] Approving a Sole Source and Appropriating Funds for the Purchase of a Tanker/Pumper from the Kachemak Emergency Service Area Capital Project Fund (Mayor)

Kachemak Emergency Services ("KESA") is respectfully requesting approval to sole source a Rosenbauer stock unit tanker/pumper fire apparatus.

KESA has the opportunity to immediately purchase a stock unit fire apparatus tanker/pumper to replace our failing non-serviceable tanker on the west side of our service area. The proposed purchase of the tanker would significantly shorten the lead times for the apparatus and advance its deployment in the service area by as much as one year.

KESA was in the process of planning for the purchase of a tanker/pumper to replace the 1980 Spartan Tanker acquired in 2009 from the City of Valdez surplus through the FY2020 budget process.

However, Rosenbauer America recently contacted KESA regarding a stock unit custom tanker/pumper that had just become available for purchase. This Rosenbauer tanker/pumper stock unit meets almost all of KESA's specifications and is being offered at a discounted price. We have negotiated with the supplier to include all necessary add-ons to this apparatus to meet the needs of our environment and KESA operations at no additional cost.

April 25, 2019

Page -2-

Re: O2018-19- 31

The dual feature/functionality of this unit as a tanker/pumper will replace the existing tanker and still meet International Organization for Standardization ("ISO") requirements for maintaining our Public Protection Classification rating of a five. This stock unit has a greater functionality and maneuverability for our area than the apparatus that would otherwise be built and purchased through the FY2020 budget.

With the potential for removing the existing tanker from service at any time in the near future, this opportunity will allow us to keep continuity of fire protection for the west side of the service area and maintain our lowered ISO rating.

FINANCE DEPARTMENT	
ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>212.29710 \$300,000</u>
	<u>446.27910 \$201,000</u>
Amount:	<u>\$ 501,000</u>
By:	<u>pp</u> Date: <u>4/23/19</u>

Introduced by: Bagley
Date: 05/07/19
Hearing: 06/05/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2019-09**

AN ORDINANCE AMENDING THE BOROUGH’S SALES TAX CODE TO LEVY A 12 PERCENT TAX ON TEMPORARY LODGING, EXEMPT TEMPORARY LODGING RENTALS FROM THE GENERAL SALES TAX, AND ALLOW CITIES THAT LEVY A SIMILAR SALES TAX ON TEMPORARY LODGING TO EXEMPT UP TO ONE-HALF OF THE BOROUGH’S TEMPORARY LODGING TAX, SUBJECT TO VOTER APPROVAL

WHEREAS, the Kenai Peninsula Borough (“borough”) needs to raise revenue to protect the general fund, which has been declining due to substantial losses in tax revenues due to past increases in tax exemptions, the continuing and projected large decline in state assistance to municipalities, other proposed cuts in municipal funding, and the increasing reliance on borough funding for education; and

WHEREAS, the borough is currently facing a potentially severe budget deficit for FY 2020; and

WHEREAS, currently 49 Alaska municipalities including cities and boroughs have a bed tax, with bed tax rates that are based on a percentage of price ranging from 4 percent to 12 percent; and

WHEREAS, the Kenai Peninsula Borough and the Aleutians East Borough are the only second-class boroughs in the state without an additional sales tax on temporary lodging; and

WHEREAS, several hundred thousand visitors travel to the Kenai Peninsula each year and contribute in a large way to the area’s economy but also create a large demand on public services in the borough; and

WHEREAS, impacted borough services include solid waste, roads, recreational and senior citizen services, 911 and emergency services, hospital services and disaster services; and

WHEREAS, while the revenue to the borough generated from this additional sales tax on temporary lodging would be used solely for educational purposes, it would also make other borough revenues available to offset these visitor costs and help maintain the fund balance; and

WHEREAS, “temporary lodging” is currently defined in the borough sales tax code as “a service to provide any lodging of less than one month”; and

WHEREAS, to clarify that this tax does not apply to the rental of spaces for motor homes, tents, and other similar temporary shelters not provided by the seller, and what is considered temporary lodging, the definition of “temporary lodging” is amended; and

WHEREAS, a temporary lodging tax of 12 percent is estimated to generate approximately \$1,100,000 in additional revenues in FY2020 and \$4,400,000 in FY2021 and FY2022; and

WHEREAS, to enable the cities to levy a similar tax and allow the tax to apply evenly throughout the borough, the ordinance exempts from the borough’s 12 percent temporary lodging tax an amount equal to a similar city tax of up to one-half of the borough’s temporary lodging tax; and

WHEREAS, as this includes an increase in the sales tax rate voter approval is required; and

WHEREAS, this also specifically authorizes cities to levy a temporary lodging tax to ensure the general law cities may legally do so under AS 29.45.700(a) after the borough exempts temporary lodging from its general sales tax provisions in this ordinance;

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

SECTION 1. KPB 5.18.100 is amended as follows:

5.18.100. General—Levied—Amount.

- A. There is levied by the borough a consumer's sales tax of up to 3 percent maximum rate on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the gross sales price of the seller.
- B. In addition to the tax levied in paragraph A of this section, there is levied in the borough a sales tax on the rental of temporary lodging of up to 12 percent of the rental price of all such rentals within the borough, except as specifically exempted herein.
- C. In addition to the sales taxes levied by the borough, any municipality within the borough may levy a consumer's sales tax and a temporary lodging tax that may be included in their general sales tax, taxed separately, or both, as provided by Alaska Statute which shall be reported, collected, and enforced according to the terms of this chapter.

SECTION 2. That KPB 5.18.200(A) is amended by amending paragraph 22, as follows:

5.18.200. Exemptions/waivers—Exemptions.

A. The following classes of retail sales, services and rentals are exempt:

...

22. The rental of temporary lodging shall be exempt from the borough general sales tax levied pursuant to KPB 5.18.100(A).

SECTION 3. That KPB 5.18.215 is hereby enacted, as follows:

5.18.215. Exemptions/waivers—Temporary lodging within cities in the borough.

Rentals of temporary lodging within any city in the borough are exempt from the borough's temporary lodging room tax in an amount equal to a similar temporary lodging tax that is either levied separately from or included in the city's general sales tax, or both, with a maximum total exemption of one-half of the borough's temporary lodging tax.

SECTION 4. That KPB 5.18.900, Definitions, is hereby amended by amending the definition of temporary lodging as follows:

5.18.900. Definitions.

When not clearly otherwise indicated by the context, the following words and phrases, as used in this chapter, have the following meanings:

...

“Temporary lodging” [IS DEFINED AS] means a service to provide any structure or portion of a structure, permanent or temporary, fixed or mobile, in which a person, for money or other consideration, may obtain lodging, dwelling, or sleeping accommodations for less than one month. This term includes hotels, apartment hotels, motels, tourist homes, houses or courts, lodging houses, inns, rooming houses, hostels, trailers, bed and breakfasts, dormitories except as excluded below, and any other facility, structure, or room of whatever name where space for lodging, dwelling, or sleeping may be secured for consideration. “Room” excludes any self-contained and powered motor home or tent not provided by the seller, tent or tent space, hospital, medical clinic, sanitarium, or nursing home; or any student dormitory operated by a non-profit or public educational entity.

SECTION 5. That a ballot proposition shall be placed before borough voters at the regular election on October 1, 2019 to read as follows:

Shall Ordinance 2019-09 be approved? Ordinance 2019-09 establishes a borough sales tax of up to 12 percent on temporary lodging, exempts temporary lodging from the borough general sales tax, and exempts the amount of any city temporary lodging tax up to one-half of the borough's temporary lodging tax. "Temporary lodging" includes a service to provide lodging as described in the ordinance of less than one month for money or other consideration".

Yes _____ A "yes" vote means you approve of a borough temporary lodging tax of up to 12 percent instead of the general sales tax on temporary lodging, with an exemption for any similar tax on temporary lodging tax levied by a city on the lodging. This exemption in cities cannot exceed one-half of the borough's temporary lodging tax.

No _____ A "no" vote means you oppose a borough temporary lodging tax of up to 12 percent instead of the existing general sales tax on temporary lodging, with an exemption for any similar tax on temporary lodging tax levied by a city on the lodging. This exemption in cities cannot exceed one-half of the borough's temporary lodging tax.

SECTION 6. That Sections 5 and 6 of this ordinance shall become effective immediately upon enactment of this ordinance. Sections 1, 2, 3 and 4 of this ordinance shall become effective April 1, 2020, only if the proposition contained in Section 5 is approved by a majority of voters voting on the question in the regular election of October 1, 2019.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THE * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

FROM: Dale Bagley, Assembly Member *DLB*

DATE: April 25, 2018

RE: Ordinance 2019-09, Amending the Borough's Sales Tax Code to Levy a 12 Percent Tax on Temporary Lodging, Exempt Temporary Lodging Rentals from the General Sales Tax, and Allow Cities that Levy a Similar Sales Tax on Temporary Lodging to Exempt up to One-Half of the Borough Temporary Lodging Tax, Subject to Voter Approval (Bagley)

Due largely to the state's current economic crisis and proposed reductions of state funds to local governments, the borough is currently facing a budgetary shortfall estimated to be substantial. Ordinances 2017-29 and 2018-24, which would have asked the voters to approve a bed tax, were defeated by the assembly in 2017 and 2018. The fiscal situation has worsened and the borough needs to close that shortfall. I propose that we pass this ordinance and submit it to the voters for consideration in the next regular election on October 1, 2019. If approved it would be effective April 1, 2020.

Currently 49 Alaska cities and boroughs have a "bed tax". The tax rates range from a low of 4 percent to a high of 12 percent. Three municipalities levy bed taxes using flat rates and Bristol Bay Borough has both a percent and a flat rate bed tax. If this ordinance is approved it would exempt temporary lodging rentals from the general sales tax rate, and instead would levy a maximum bed tax of 12 percent in the borough. It also grants an exemption in cities that levy a similar sales tax or temporary lodging tax in an amount equal to the city's tax, up to a maximum of one-half of the borough's tax. This is intended to help level the temporary lodging rates inside and outside of the cities in the borough.

These additional sales taxes would be used to support education. They would also make other revenues available for services funded by property taxes and help to sustain the general fund.

Several hundred thousand visitors travel to the Kenai Peninsula each year and while they contribute to the area's economy, they also create a large demand on public services in the borough. Examples of borough services provided to visitors include solid waste services, fire and emergency medical services, road services, hospitals, recreation services, 911 services and disaster assistance.

Your support in giving the voters a chance to vote on this would be appreciated.

Fiscal Note

Kenai Peninsula Borough
Fiscal Year 2019

Ordinance/Resolution: Ord 2019-
Fiscal Note Number:
Publish Date: 5/7/2019

Title: Additional areawide sales tax on temporary lodging at 12% boroughwide, exempt from general sales tax, with half available to cities that pass legislation assessing their own temporary lodging tax.

Department: Assembly

Sponsor: Assemblymember Dale Bagley

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

	Current Year Estimate	Out-Year Cost Estimates	
		Year2	Year 3
	Current Year	Year2	Year 3
Operating Expenditures	2020	2021	2022
Personnel	115,000	115,575	116,153
Supplies	250		
Services	58,500	1,575	1,653
Capital Outlay			
Total Operating	173,750	117,150	117,806

Revenue Sources			
	Current Year	Year2	Year 3
	2020	2021	2022
Borough wide	1,100,000	4,400,000	4,400,000
Total	1,100,000	4,400,000	4,400,000

Number of Positions			
	Current Year	Year2	Year 3
	2020	2021	2022
Full-Time	1		

173,750

ASSOCIATED REGULATIONS

Will the legislation result in procedural or regulation changes within a department?

Y N (circle one)

If yes, by what date are the regulations to be adopted, amended or repealed?

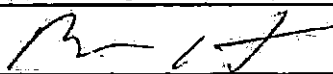
4/1/2020

Supplemental appropriation will be needed to change the sales tax form, make changes to the sales tax software, train staff and taxpayers and other implementation cost, recommending 4/1/20 effective date

Prepared By:

Brandi Harbaugh, Finance Director

Finance sign off:



Introduced by: Mayor
 Date: 05/07/19
 Hearings: 05/21/19 & 06/04/19
 Action:
 Vote:

**KENAI PENINSULA BOROUGH
 ORDINANCE 2019-19**

AN ORDINANCE APPROPRIATING FUNDS FOR FISCAL YEAR 2020

WHEREAS, Alaska Statute 29.35.100 and KPB 05.04.020 require that the mayor present a budget proposal to the assembly for the next fiscal year during or prior to the eighth week preceding the first day of the fiscal year; and

WHEREAS, the assembly is empowered with making appropriations for the General Fund, the Special Revenue Funds, the Debt Service Funds, the Capital Projects Funds, the Enterprise Funds, the Internal Service Funds of the borough and setting the fee schedule;

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

SECTION 1. That \$84,293,373 is appropriated in the General Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020 as follows:

General Government Operations	\$17,136,445
Transfer to School District for Operations and In-kind Services	51,512,091
Transfer to School Debt Service	3,793,886
Transfer to Special Revenue Funds:	
Solid Waste	7,797,970
Post-Secondary Education	800,000
911 Communications Fund	350,000
Nikiski Senior Service Area	52,981
Eastern Peninsula Highway Emergency Service Area	350,000
Transfer to Capital Projects Funds:	
School Revenue	2,250,000
General Government	250,000

SECTION 2. The following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

A. Local Effort	\$40,463,667
B. Maintenance	7,773,247
C. School District Utilities	90,000
D. School District Insurance	2,970,178
E. School District Audit	95,790
F. Custodial Services	<u>119,209</u>

Total Local Contribution per AS 14.17.410 \$51,512,091

SECTION 3. Disbursements from Section 2 item (A) shall be made monthly, and only as needed to supplement other revenues available and received by the school district to fund the operations portion of the school district budget. Any available balance remaining at the end of the fiscal year shall then be disbursed to the school district, provided that the total amount disbursed shall not exceed the amount allowed under AS 14.17.410 as determined after actual enrollment numbers are known.

SECTION 4. That the appropriations for the Special Revenue Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

Nikiski Fire Service Area	\$5,250,018
Bear Creek Fire Service Area	681,018
Anchor Point Fire and Emergency Medical Service Area	1,218,767
Central Emergency Service Area	10,241,832
Central Peninsula Emergency Medical Service Area	8,113
Kachemak Emergency Service Area	1,199,672
Eastern Peninsula Highway Emergency Area	411,683
Seward Bear Creek Flood Service Area	379,104
911 Communications	2,413,929
Kenai Peninsula Borough Road Service Area	8,464,585
Engineer's Estimate Fund	12,000
North Peninsula Recreation Service Area	2,837,169
Seldovia Recreational Service Area	62,512
Post-Secondary Education	800,000
Land Trust	1,833,098
Nikiski Senior Service Area	398,200
Solid Waste	8,708,901
Central Kenai Peninsula Hospital Service Area	9,743,625
South Kenai Peninsula Hospital Service Area	4,178,918

SECTION 5. That \$4,054,226 is appropriated in the School Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 6. That \$446,938 is appropriated in the Central Emergency Services Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 7. That \$94,520 is appropriated in the Bear Creek Fire Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 8. That \$9,474,875 is appropriated in the Central Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 9. That \$2,227,819 is appropriated in the South Kenai Peninsula Hospital Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 10. That \$1,063,500 is appropriated in the Solid Waste Service Area Debt Service Fund for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 11. That appropriations for the Capital Projects Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

School Revenue	\$2,250,000
Solid Waste	670,525
911 Communications	175,000
Service Areas:	
Nikiski Fire	350,000
Bear Creek Fire	10,820
Anchor Point Fire & EMS	60,000
Central Emergency Services	1,150,000
Kachemak Emergency Service Area	20,000
North Peninsula Recreation	957,000
Road Service Area	2,558,175
South Kenai Peninsula Hospital	3,002,714

SECTION 12. That appropriations for the Internal Service Funds for the fiscal year beginning July 1, 2019 and ending June 30, 2020 are as follows:

Insurance and Litigation	\$4,528,420
Health Insurance Reserve	8,254,123
Equipment Replacement	650,000

SECTION 13. That the FY2020 budget of the Kenai Peninsula Borough, as submitted to the assembly on May 7, 2019, is incorporated as a part of this ordinance to establish the appropriations assigned to the various departments and accounts and the positions authorized therein.

SECTION 14. That funds reserved for outstanding encumbrances as of June 30, 2019 are reappropriated for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

SECTION 15. That the fee schedule presented in the budget document is approved.

SECTION 16. That this ordinance takes effect at 12:01 a.m. on July 1, 2019.

**ENACTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS * DAY OF *,
2019.**

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
THRU: Charlie Pierce, Mayor *CP*
FROM: Brandi Harbaugh, Finance Director *BH*
DATE: May 7, 2019
RE: Ordinance 2019-19, An Ordinance Appropriating Funds for Fiscal Year 2020 (Mayor)

Ordinance 2019-19 appropriates the money necessary to fund the Kenai Peninsula Borough's annual budget for fiscal year July 1, 2019 to June 30, 2020 (FY2020.) The amounts included in the ordinance correspond with those appearing in the FY2020 Kenai Peninsula Borough Proposed Budget as presented to the assembly on May 7, 2019.

Public hearings are scheduled for May 21, 2019 and June 4, 2019.

Introduced by: Mayor
Date: 05/07/19
Hearing: 05/21/19
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2019-10**

**AN ORDINANCE AUTHORIZING THE NEGOTIATED LEASE OF OFFICE SPACE
AT THE NIKISKI COMMUNITY RECREATION CENTER WITH TESORO ALASKA
COMPANY LLC**

WHEREAS, the Nikiski Community Recreation Center (“NCRC”) is a former elementary school building that is operated and budgeted by the North Peninsula Recreation Service Area (“NPRSA”); and

WHEREAS, Tesoro Alaska Company LLC (“Tesoro”) has inquired about renting a room within the NCRC to be used for temporary office and meeting space; and

WHEREAS, NPRSA staff have identified an available space and mutually agreeable terms for entering an office space rental agreement with access to meeting space; and

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of May 13, 2019 recommended _____;

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

SECTION 1. That the assembly finds that leasing office space to Tesoro pursuant to KPB 17.10.100(I) is in the best interest of the borough.

SECTION 2. That the provisions of KPB 17.10.080-090 and KPB 17.10.110-240 governing classification, disposition, and leasing of borough lands and related natural resources shall not apply to this lease of office space.

SECTION 3. Based on the foregoing, the mayor is hereby authorized, pursuant to KPB 17.10.100(I), to lease NCRC Room #7, being 840 sq. ft., with common use of bathrooms and parking, to Tesoro for an initial term of six months, with month-to-month extensions thereafter, at the monthly rental of \$2,276.40. The authorization is for lease solely to Tesoro and it may not assign any rights to negotiate or enter an agreement for lease to any other person or entity. Once entered, the lease may be assigned or subleased pursuant to the terms of the lease agreement.

SECTION 4. The mayor is authorized to execute a lease substantially similar in form to the lease form approved by the assembly.

SECTION 5. Tesoro shall have 180 days from the time of enactment of this ordinance to execute the lease document.

SECTION 6. That rent revenue from the subject lease shall be deposited in North Peninsula Recreation Service Area account 225.00000.00000.36315.

SECTION 7. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2019.

Wayne H. Ogle, Assembly President

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
THRU: Charlie Pierce, Mayor *CP*
FROM: Brandi Harbaugh, Finance Director *BH*
DATE: May 7, 2019
RE: Ordinance 2019-19, An Ordinance Appropriating Funds for Fiscal Year 2020 (Mayor)

Ordinance 2019-19 appropriates the money necessary to fund the Kenai Peninsula Borough's annual budget for fiscal year July 1, 2019 to June 30, 2020 (FY2020.) The amounts included in the ordinance correspond with those appearing in the FY2020 Kenai Peninsula Borough Proposed Budget as presented to the assembly on May 7, 2019.

Public hearings are scheduled for May 21, 2019 and June 4, 2019.

LEASE

This lease agreement (hereinafter the "Lease"), made and entered into this day of June 1, 2019, by and between the Kenai Peninsula Borough, 144 N. Binkley St, Soldotna, AK 99669, hereinafter referred to as "Lessor" and Tesoro Alaska Company LLC a Delaware limited liability company ("Tesoro"), 539 South Main Street, Findlay, Ohio 45840, hereinafter referred to as "Lessee".

1. **Premises.** Lessor, for and in consideration of the rents, covenants, and conditions hereinafter specified does hereby lease to Lessee the following property hereinafter referred to as "Premises":

An eight-hundred forty (840) square foot room, more particularly described as Room #7, Nikiski Community Recreation Center, 50097 Kenai Spur Highway, situated on Tract A, according to Plat No.1362, records of the Kenai Recording District, Third Judicial District, State of Alaska.

Lessee shall also have common use of public restrooms and up to ten parking spaces.

2. **Rent.** In consideration of the Lease of the Premises by Lessor, Lessee covenants to pay to the Lessor as rent the sum of \$2,276.40 per month. Rent is due and payable in advance, on or before the 1st day of the month. Rent shall remain the same for the term of the lease.

Additional Rent. Lessee agrees to pay additional rent for additional rental space in the facility. Advanced scheduling of these areas is required and must be reserved through the North Peninsula Recreation Service Area ("NPRSA") staff.

Additional Rent for Gymnasium/Banquet Room:

\$50/hr or \$250/ 8hrs

\$70/hr or \$400/ 8hrs (with Kitchen)

Additional fees apply for technology support/accessories/equipment

Additional Rent for Training Room/Class Room/Multi-Purpose Room:

\$30/hr or \$175/ 8hrs

\$50/hr or \$250/ 8hrs (with Kitchen)

Additional fees apply for technology support/accessories/equipment

3. **Term, Month-to-Month Extended Terms.** The Lease Term is six (6) months commencing on June 1, 2019 and ending on November 30, 2019 and may be extended month-to-month thereafter upon mutual agreement of the parties provided however that either Lessee or Lessor may cancel extended terms of this Lease without cause by delivering written notice to the other party not less than 28 days in advance of the date of cancellation. Such written notice shall specify the date of cancellation. Rents for a partial last month shall be prorated to the actual number of days in the partial term at \$75.00 per day. Lessee and Lessor acknowledge that six to 12 months is the anticipated life of this Lease.

4. **Services.**

- A. **Utilities/Snow Removal.** Gas, electric, water, septic, refuse and snow removal shall be provided by Lessor for the duration of this lease.
- B. **Grounds Maintenance.** Grounds maintenance shall be provided by Lessor for the duration of this lease.
- C. **Phone/ Network.** Phone and network service is the responsibility of the Lessee. Phone accounts, network servers, and internet connections shall be established and paid for by Lessee at the option of the Lessee. The Lessee is required to coordinate installation with the Lessor. The Lessor reserves the right to request that the Lessee must properly secure any wireless network provisions.
- D. **Janitorial Service.** Lessee is responsible for its own janitorial or custodial services.
- E. **Security.** Lessee will be responsible for securing office space. Lessee will be responsible for securing building and alarm system if operating outside of the community center normal operating hours.

5. **Covenants of Lessee.** Lessee hereby covenants and agrees:

- A. **To pay rent:** Lessee will pay the rent specified at the times and in the manner set out in Paragraph 2 herein, except only in the case of fire or other casualty as herein provided.
- B. **Not to assign.** Lessee shall not assign, sublet or part with the possession of all or any part of the leased premises without the prior written consent of the Lessor.
- C. **To permit Lessor to enter.** Lessor is granted free access to premises at all times for inspection, maintenance, or repair.
- D. **To yield up premises.** At the expiration or cancellation of this Lease, Lessee will peaceably yield up to Lessor the premises, in good repair in all respects, reasonable use and wear excepted.
- E. **Alterations.** Lessee may not alter the premises without first obtaining prior approval of Lessor. Any approved fixtures installed by Lessee shall become property of the Lessor unless otherwise agreed to in advance.
- F. **Acceptance of Premises.** Lessee has examined and knows the condition of the premises and accepts the same “as is,” subject to Lessor’s obligations under this lease.

- G. Use of Premises. Lessee hereby covenants that the use of the premises shall be for professional use (office/conference/meetings) only and for no other purpose except by written mutual agreement by Lessor.
6. Lessor's Warranties. The Lessor covenants, guarantees and provides the following express warranties:
- A. No existing restrictions interfere with the Lessee's permitted and intended use of the premises;
 - B. There is availability of adequate ingress and egress to the premises;
 - C. Lessor has sufficient interest in the property to grant Lessee this leasehold; and
 - D. Lessor shall be responsible for maintaining the premises in good repair.
7. Default by Either Party. Should either Lessor or Lessee default in the performance of the obligations of any covenants of this Lease and fail to fully remedy such default within 30 days after written notice by the non-defaulting party, then the Lease may be terminated by written notice to the defaulting party. Upon termination of this Lease, Lessor shall refund to Lessee any unearned advance rent paid by Lessee.
8. Indemnification and Liability Insurance.
- a. Indemnification and Hold Harmless. Lessee shall indemnify, defend, save and hold Lessor, its elected and appointed officers, agents and employees, harmless from any and all claims, demands, suits, or liability of any nature, kind or character including costs, expenses, and attorney fees resulting from Lessee's failure to perform in accord with the terms of this Lease in any way whatsoever. The Lessee shall be responsible under this clause for any and all claims of any character resulting from Lessee or Lessee's officers, agents, employees, attorneys, suppliers, and subcontractor's acts, omissions, or failure to perform under this Lease in any way whatsoever. This defense and indemnification responsibility shall not include claims alleging acts or omissions by Lessor or its agents, which are said to have contributed to the losses, failure, violations, or damage. Lessee shall not be responsible for any damages or claims arising from the negligence or willful misconduct of Lessor, its agents, or employees.
 - b. Liability Insurance. Lessee shall purchase at its own expense and maintain in force at all times during the term of this Lease Comprehensive General Liability Insurance, which shall include bodily injury, personal injury, and property damage with respect to the property and the activities conducted by the Lessee in which the coverage shall not be less than \$1,000,000 per occurrence. The policy purchased shall name Lessee as the insured and list Lessor as an additional insured, shall be primary and exclusive of any coverage carried by Lessor, and shall also require the insurer to provide Lessor with at least 30 days written notice of any change in

coverage. Lessee may submit a letter of self-insurance with proper backing demonstrating coverage that exceeds the above standards.

- c. **Proof of Insurance.** At the time of executing this Lease, and at the time of each renewal of insurance, Lessee shall deliver to the North Peninsula Recreation Service Area Director certificates of insurance or letters of self-insurance meeting the above criteria.

9. **Damage due to Causes beyond Control.** Lessee and Lessor agree that if a cause beyond control prevents occupation of the premises, any rent paid shall be prorated daily for the days Lessee is unable to occupy the premises. If the “cause beyond control” lasts for more than 30 days, Lessee or Lessor shall have the right to terminate this Lease upon 14 days’ written notice given in the manner set out in Section 15 of this Lease. The phrase “cause or causes beyond control,” as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Lessee or Lessor and which prevent performance of this Lease: Fire, explosions, floods, earthquakes, other acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent Lessee or Lessor from performing the terms of this Lease. Events which are particular to either party, including but not limited to financial difficulties, are not causes beyond the control of either the Lessee or Lessor. \.

10. **Compliance with Laws.** Lessee agrees to comply with all applicable federal, state, borough and local laws and regulations.

11. **No Waiver.** No assent, expressed or implied, by either party to any breach of either party’s covenants shall be deemed to be a waiver of any succeeding breach of the same covenants, nor shall any forbearance by a party to seek a remedy for any breach be deemed a waiver by that party of its rights or remedies with respect to such breach.

12. **Integration.** This document contains the entire lease agreement of the parties hereto. All negotiations, statements, representations, guarantees, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Lease and the performance of either party hereto, are merged and integrated into the terms of this document.

13. **Interpretation and Enforcement.** This Lease has been drafted following negotiations between the parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this Lease shall be governed by the laws of the State of Alaska. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.

14. **Counterparts; Electronic Signature.** This Lease may be executed in counterpart and may be executed by way of facsimile or electronic signature in compliance with AS 09.80, each of which when executed shall be considered an original and all of which together shall constitute one agreement.

15. **Severability.** If any section or clause of this Lease is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Lease shall remain in full force and effect.
16. **Notice.** Whenever notice is required hereunder, it shall be addressed as follows until written notice of change of address is given to the other party:

LESSOR:

Kenai Peninsula Borough
 Rachel Parra, NPRSA Director
 144 N. Binkley Street
 Soldotna, Alaska 99669

With a copy to:

Kenai Peninsula Borough
 Land Management Division
 144 N. Binkley Street.
 Soldotna, AK 99669

LESSEE:

Tesoro Alaska Company LLC
 Cameron Hunt, Kenai Refinery Manager
 54741 Tesoro Road
 Kenai, Alaska 99611

With a copy to:

Tesoro Alaska Company LLC
 Corporate Real Estate Department
 539 South Main Street
 Findlay, Ohio 45840

KENAI PENINSULA BOROUGH

TESORO ALASKA COMPANY LLC

 Charlie Pierce
 KPB Mayor

 Mark Fowler
 Director, SCM Procurement

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM
 AND LEGAL SUFFICIENCY:

 Johni Blankenship, KPB Clerk

 Sean Kelley
 Assistant Borough Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ___ day of _____ 2019 by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska Municipal Corporation, for and on behalf of the Corporation.

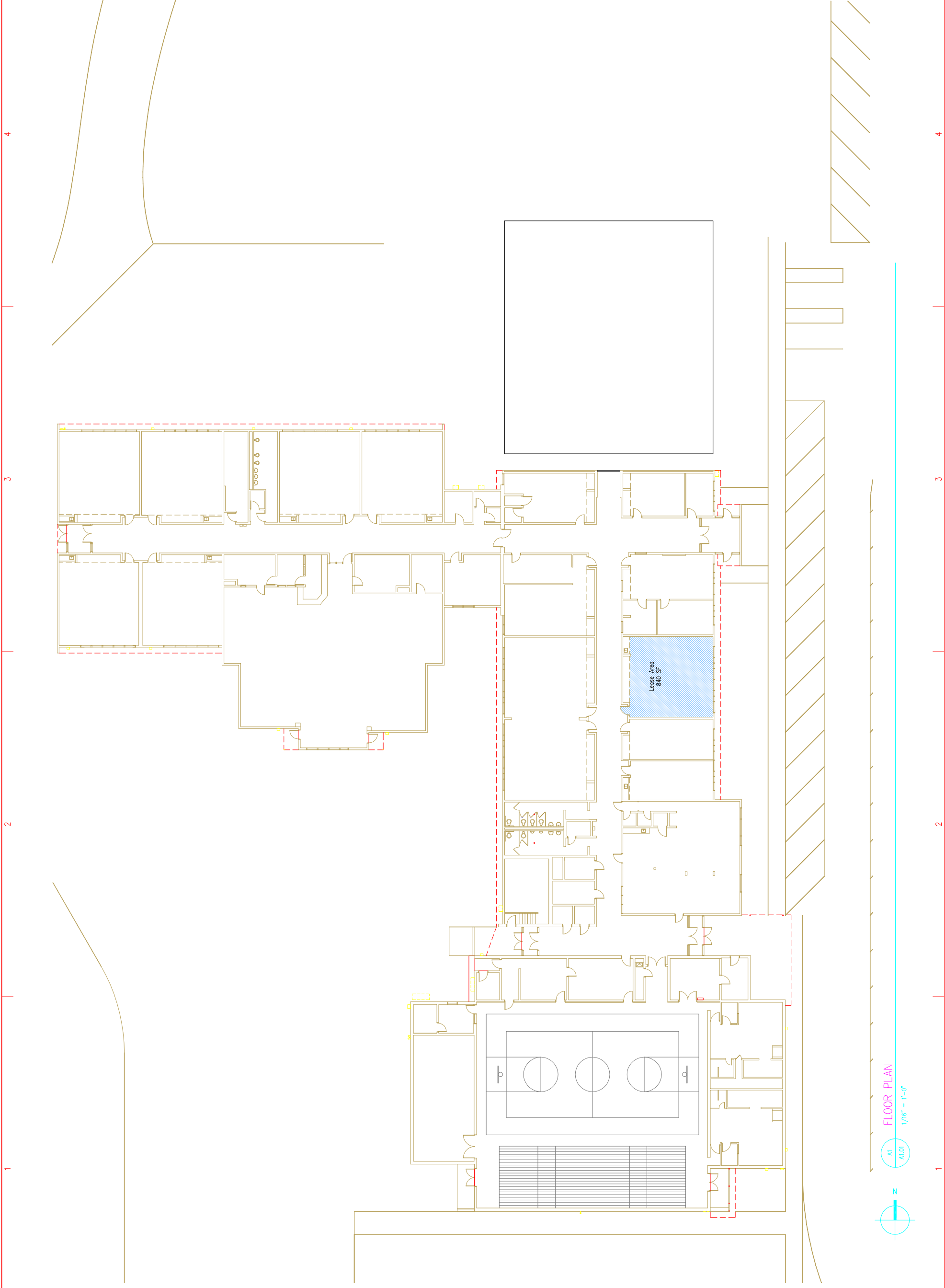
Notary Public in and for Alaska
My commission expires: _____

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ___ day of _____ 2019 by Mark Fowler, SCM Procurement Director of Tesoro Alaska Company LLC, a Delaware limited liability company, for and on behalf of the LLC.

Notary Public in and for _____
My commission expires: _____



KENAI PENINSULA BOROUGH		N. PENINSULA RECREATION		NIKISKI, ALASKA	
Revisions		No.		Description	
Date		Date		Date	
Drawn by		Date		Job No.	
Checked		Date		Job No.	
Sheet Contents					
FLOOR PLAN					
Category		A		Sheet No.	
Category		A		1.00	



April 12, 2019

Kenai Peninsula Borough

Attn: Borough Clerks

Via Email: joanne@borough.kenai.ak.us
jblankenship@borough.kenai.ak.us
tshassetz@kpb.us

License Type:	Package Store	License Number:	2795
Licensee:	Vitus Energy LLC		
Doing Business As:	Vitus Energy LLC		
Premises Address:	39056 Sterling Highway		

New Application

Transfer of Ownership Application

Transfer of Location Application

Transfer of Controlling Interest Application

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell

Erika McConnell
Director, ABC Board
amco.localgovernmentonly@alaska.gov

Kenai Peninsula Borough
Assembly

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Johni Blankenship, Borough Clerk (JB)

FROM: Tatyana Shassetz, Borough Clerk Secretary (AS)

DATE: May 7, 2019

RE: Protest of Liquor License Transfer– Vitus Energy, LLC – License #2795

KPB 7.10.010 provides for mandatory Assembly review of all applications requesting approval of a relocation of the licensed premises at a location within the Borough. Accordingly, the attached application for the liquor license transfer as filed by **Vitus Energy LLC dba Vitus Energy LLC**, located within the Kenai Peninsula Borough, is being submitted to you for review and action.

The Borough Finance Department has reviewed the application and has no objection to the transfer of the license based on unpaid taxes. The Planning Department has reviewed the application for proximity to churches and or/schools and has determined the licensed premises would be within the 500-foot proximity to **Soldotna Brethren, Inc.**

KPB 7.10.020 (A)(2)(c) requires the Borough Assembly to protest any liquor license where the public entrance of the licensed premises would be within 500-feet of an established school, church building in which religious services are regularly conducted, or the outer boundaries of a playground, measured by the shortest pedestrian route from the outer boundaries of the school ground or playground or the public entrance of the church building.

RECOMMENDATION: That the Assembly shall formally protest the liquor license transfer per KPB 7.10.020(A)(2)(c).

cc: Vitus Energy LLC
Soldotna Brethren, LLC

Kenai Peninsula Borough
Planning Department

MEMORANDUM

TO: Johni Blankenship, Borough Clerk
THRU: Max J. Best, Planning Director
FROM: Maria Sweppy, Platting Specialist
DATE: April 15, 2019
RE: Log Cabin Transfer Liquor License Application

As requested, the Planning Department reviewed the Log Cabin Transfer liquor license application to determine if churches or schools are within 500 feet (KPB 7.10.020).

A 500-foot radius search was done for KPB Parcel 063-600-25, 39056 Sterling Highway, Soldotna. KPB's address database does not have a 39050 Sterling Highway address.

Churches and schools are shown as institutional on the land use map.

Per 7.10.020(A)(2)(c), the public entrance of the licensed premises is less than 500 feet as measured by the shortest pedestrian route to the public entrance of the Soldotna Brethren, Inc. church building.



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 2 - Transferee Information

Enter information for the new applicant and/or location seeking to be licensed.

Licensee:	VITUS ENERGY LLC		
Doing Business As:	VITUS ENERGY LLC		
Premises Address:	39056 STERLING HWY		
City:	SOLDOTNA	State:	AK
Community Council:	KENAI PENINSULA BOROUGH		
City:	ZIP:	State:	ZIP:
			99669

Mailing Address:	113 W NORTHERN LIGHTS BLVD, SUITE 200		
City:	ANCHORAGE	State:	AK
City:	ZIP:	State:	ZIP:
			99503

Designated Licensee:	VITUS ENERGY LLC		
Contact Phone:	907-406-4553	Business Phone:	907-793-9722
Contact Email:	SAMUEL.KLEIN@VITUSMARINE.COM		

Seasonal License? Yes No if "Yes", write your six-month operating period: _____

Section 3 - Premises Information

Premises to be licensed is: an existing facility a new building a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.
 3.7 miles

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.
 1.5 miles



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

What is this form?

This transfer license application form is required for all individuals or entities seeking to apply for the transfer of ownership and/or location of an existing liquor license. Applicants should review Title 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code. All fields of this form must be completed, per AS 04.11.280, AS 04.11.280, AS 04.11.290, and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 - Transferor Information

Enter information for the current licensee and licensed establishment.

Licensee:	JFS INC	License #:	2795
License Type:	PACKAGE STORE LIQUOR LICENSE	Statutory Reference:	04.11.150
Doing Business As:	LOG CABIN LIQUOR		
Premises Address:	37133 FUNNY RIVER RD		
City:	SOLDOTNA	State:	AK
City:	ZIP:	State:	ZIP:
			99669
Local Governing Body:	KENAI PENINSULA BOROUGH		

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY	
Complete Date:	Transaction #:
Board Meeting Date:	License Years:
Issue Date:	BRE:



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Entity Official:	JUSTIN CHARON		
Title(s):	MEMBER	Phone: 907-444-0769	% Owned: 30
Address:	3261 AMBER BAY LP		
City:	ANCHORAGE	State: AK	ZIP: 99515

Entity Official:	SHAEN TARTER		
Title(s):	MEMBER	Phone: 808-772-0195	% Owned: 20
Address:	520 ILIMANO ST		
City:	KAILUA	State: HI	ZIP: 96734

Entity Official:			
Title(s):		Phone:	% Owned:
Address:			
City:		State:	ZIP:

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	124164	AK Formed Date:	09/29/2009	Home State:	ALASKA
Registered Agent:	Justin Charon				
Agent's Mailing Address:	113 W. Northern Lights Blvd. Suite 200				
City:	ANCHORAGE	State:	AK	ZIP:	99503

Residency of Agent: Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 4 - Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5. If more space is needed, please attach a separate sheet with the required information. The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate

Name:			
Address:			
City:		State:	ZIP:

Name:			
Address:			
City:		State:	ZIP:

Section 5 - Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6. If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each stockholder who owns 10% or more of the stock in the corporation, and for each president, vice-president, secretary, and managing officer.
- If the applicant is a limited liability organization, the following information must be completed for each member with an ownership interest of 10% or more, and for each manager.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each partner with an interest of 10% or more, and for each general partner.

Entity Official:	MARK SMITH		
Title(s):	MEMBER MANAGER	Phone: 907-351-9745	% Owned: 50
Address:	11200 JEROME ST		
City:	ANCHORAGE	State: AK	ZIP: 99516



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 6 - Other Licenses

Ownership and financial interest in other alcoholic beverage businesses: Yes No

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

Section 7 - Authorization

Communication with AMCO staff: Yes No

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

ADAM TURNER - DIRECTOR OF TERMINALS
 SAMUEL KLEIN - SENIOR MANAGER RETAIL OPERATIONS
 GUY BAILLY - CONTROLLER



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 8 - Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of perjury that the undersigned represents a controlling interest of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

T.J. Seegy's
 Signature of transferor

T.J. Seegy's
 Printed name of transferor

Subscribed



day of *Jan*, 20*19*
 Signature of Notary Public

Notary Public in and for the State of *Alaska*
 My commission expires: *8-9-22*

Signature of transferor

Printed name of transferor

Subscribed and sworn to before me this ___ day of ___, 20__

Signature of Notary Public

Notary Public in and for the State of _____

My commission expires: _____



Alaska Alcoholic Beverage Control Board
Form AB-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The **second page of this form is not required.** Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form. Yes No

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	VITUS ENERGY LLC	License Number:	2795
License Type:	PACKAGE STORE LIQUOR LICENSE		
Doing Business As:	VITUS ENERGY LLC		
Premises Address:	39056 STERLING HWY		
City:	SOLDOTNA	State:	AK
		ZIP:	99669



Alaska Alcoholic Beverage Control Board
Form AB-01: Transfer License Application

Section 9 – Transferee Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that all proposed licensees have been listed with the Division of Corporations.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee: Justin Chan
 Printed name: Justin Chan

Subscribed and sworn to before me this 1ST day of FEBRUARY, 2019.

Kevin M. Osieja
 Signature of Notary Public



My commission expires: 7/16/2020

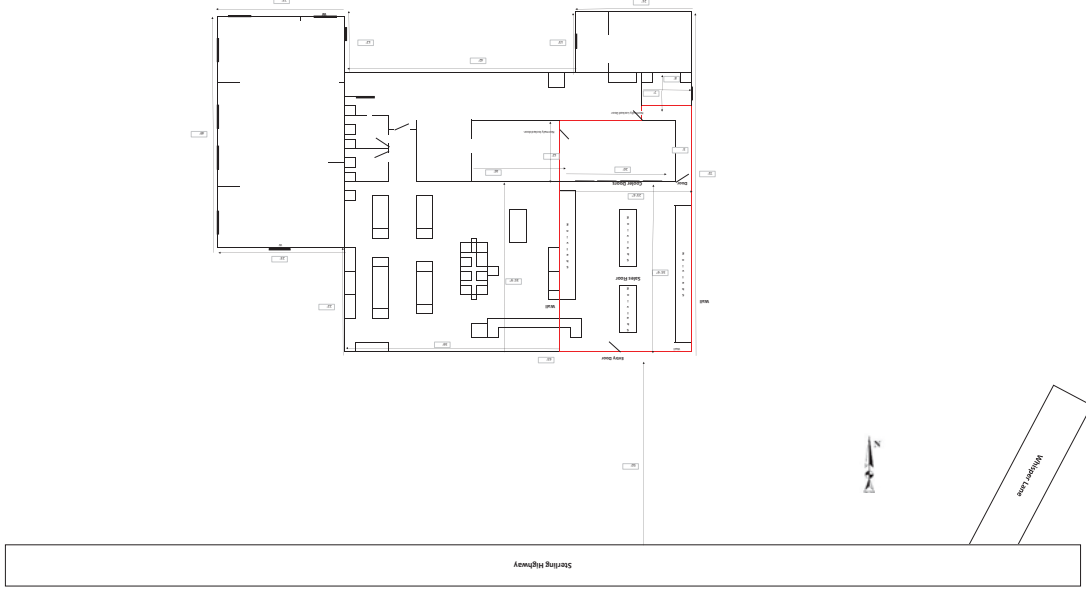


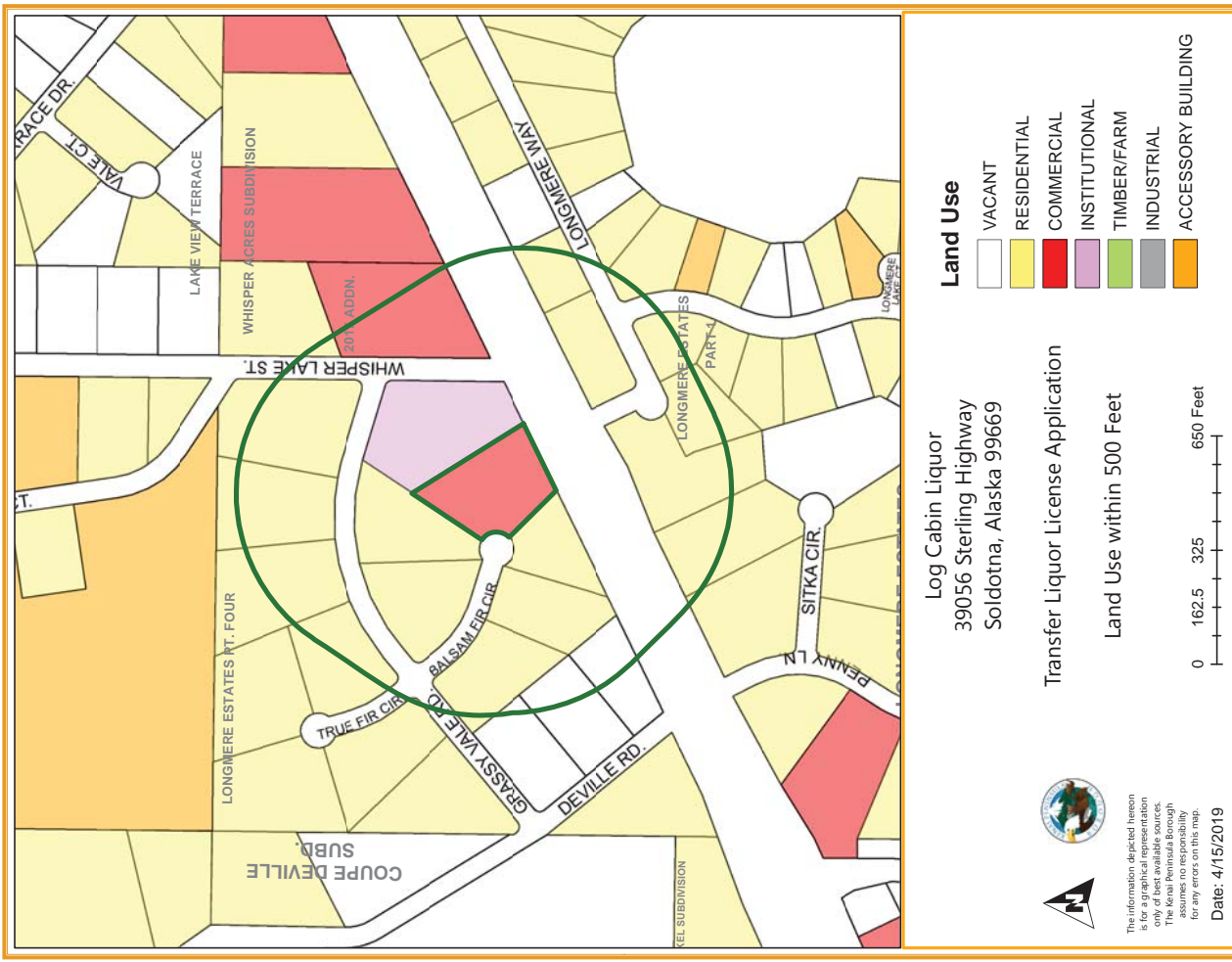
Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board Form AB-02: Premises Diagram

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, consumption, and manufacturing. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.





Kenai Peninsula Borough Assembly Committees 2018 – 2019

ASSEMBLY COMMITTEES

- **Finance Committee**
Kelly Cooper, Chair
Paul Fischer, Vice Chair
Willy Dunne
- **Lands Committee**
Kenn Carpenter, Chair
Norm Blakeley, Vice Chair
Brent Hibbert
- **Policies & Procedures Committee**
Hal Smalley, Chair
Brent Hibbert, Vice Chair
Kenn Carpenter
- **Legislative Committee**
Willy Dunne, Chair
Paul Fischer, Vice Chair
Norm Blakeley
- **President Pro Tem**
Kelly Cooper

OTHER BOROUGH COMMITTEES

- **School Board**
Wayne Ogle
Hal Smalley, Alternate

SERVICE AREA BOARD LIAISONS

- **Anchor Point Fire & EMS** – Willy Dunne, Paul Fischer
- **Bear Creek Fire** – Kenn Carpenter
- **CES/CPEMS** – Norm Blakeley
- **Kachemak Emergency Service Area** -Willy Dunne
- **KPB Roads** – Wayne Ogle
- **Nikiski Seniors** – Wayne Ogle
- **Nikiski Fire** – Wayne Ogle
- **North Peninsula Recreation** – Wayne Ogle
- **Seldovia Recreational** – Willy Dunne
- **Seward/Bear Creek Flood** – Kenn Carpenter
- **South Kenai Peninsula Hospital** - Kelly Cooper, Willy Dunne

NON-BOROUGH COMMITTEES

- **Cook Inlet Aquaculture**
Dale Bagley, term expires with office
- **Cook Inlet R.C.A.C.**
Grace Merkes, term expires April 2020
- **Kenai Peninsula Economic Development District**
Hal Smalley, term expires with office
- **Kenai Peninsula College Council**
Wayne Ogle, term expires June 30, 2019
- **Kenai Peninsula Tourism and Marketing Council**
Brent Hibbert, term expires with office
- **Kenai River Special Management Area Advisory Board**
Brent Hibbert, term expires with office
- **Prince William Sound R.C.A.C.**
Mako Haggerty, term expires May 2019
- **Kachemak Bay Research Reserve Community Council**
Willy Dunne, term expires with office