



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Final

Assembly

Wayne Ogle, President

Dale Bagley, Vice President

Norm Blakeley

Kenn Carpenter

Kelly Cooper

Willy Dunne

Paul Fischer

Brent Hibbert

Hal Smalley

Tuesday, May 15, 2018

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

The invocation was given by Dr. Jim Hamilton, from Arctic Barnabas Ministries.

ROLL CALL

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

Also present were:

Charlie Pierce, Borough Mayor

John Quick, 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 Carpenter stated the Lands Committee met and discussed its agenda items.

Assembly Member Hibbert stated the Policies and Procedures Committee met and discussed its agenda items. The committee convened into executive session to review the borough clerk's annual evaluation performed in March, 2018 and also review of

the clerk and deputy clerk's salary for FY19.

Bagley moved to approve salary increases for the borough clerk and deputy clerk of a 1% annual increase, effective on July 1, 2018 for FY19 budget cycle. The motion carried by the following vote:

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Bagley moved to approve the agenda and consent agenda.

KPB-1715 May 1, 2018 Regular Assembly Meeting Minutes
approved.

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

2017-19-26 An Ordinance Approving and Appropriating Grant Funds Totaling \$14,179.14 from the Alaska Department of Natural Resource for the Volunteer Fire Assistance Program on Behalf of Kachemak Emergency Services and Nikiski Fire Service Area (Mayor)
This Budget Ordinance was enacted.

Postponed Item

2018-021 A Resolution Requesting the Department of Transportation and Public Facilities Reduce the Speed Limit Between Mileposts 50.8 and 52.8 of the Sterling Highway to 35 Miles Per Hour (Carpenter)

[Clerk's Note: Resolution 2018-021 was amended as follows:

The title to read, "A RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES REDUCE THE SPEED LIMIT BETWEEN MILEPOSTS 50.8 AND [52.8] 53.2 OF THE STERLING HIGHWAY TO 35 MILES PER HOUR" and

The first Whereas clause to read, "between mileposts 50.8 and [52.8] 53.2 of the Sterling Highway in Cooper Landing numerous businesses, parks, campgrounds and residences are adjacent or near to the highway; and"

A new final Whereas clause to read, "during its meeting of May 9, 2018, the Cooper Landing Advisory Planning Commission unanimously recommended approval of resolution 2018-021 and requested that the area subject to the 35 mile per hour speed limit be expanded to include the Resurrection Trailhead at milepost 53.2 of the

Sterling Highway;" and

Section 1 to read, "The Kenai Peninsula Borough Assembly requests the Department of Transportation and Public Facilities reduce the posted speed limit between mileposts 50.8 and [52.8] 53.2 of the Sterling Highway to 35 miles per hour to significantly improve the safety of travelers and residents in the area."

This Resolution was adopted as amended.

New Business

2018-025 A Resolution Extending the Deadline for Submission of the Material Site Working Group's Final Report (Ogle)

[Clerk's Note: The final Whereas clause of Resolution 2019-025 was amended to read, "the Planning Commission considered this resolution at its May 14, 2018 meeting and recommended approval by majority consent."]

This Resolution was adopted as amended.

2018-21 An Ordinance Providing for the Submission to the Qualified Voters of the Kenai Peninsula Borough the Question of the Issuance of Not to Exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) of General Obligation Bonds of the Kenai Peninsula Borough to Pay the Local Required Match Portion of the Costs of the Kachemak-Selo New K-12 School Construction Project at an Election in and for the Kenai Peninsula Borough on October 2, 2018 (Mayor)

This Ordinance was introduced and set for public hearing.

2018-22 An Ordinance Authorizing a Community Trail Management Agreement with Kachemak Nordic Ski Club (Mayor, Dunne)

This Ordinance was introduced and set for public hearing.

2018-23 An Ordinance Amending KPB 7.20 and KPB 7.30 Regarding Borough Comments on State Marijuana Licenses (Ogle) (Hearing on 06/19/18)

This Ordinance was introduced and set for public hearing.

2018-24 An Ordinance Amending the Borough's Sales Tax Code to Levy a 12 Percent Temporary Lodging Tax, Exempt Temporary Lodging Rentals from the General Sales Tax, and Allow Cities that Levy a Similar Separate Sales Tax on Temporary Lodging to Exempt up to One-Half of the Borough Temporary Lodging Tax, Subject to Voter Approval (Bagley, Dunne)

This Ordinance was introduced and set for public hearing.

KPB-1662 Approving the Issuance of a Letter of Non-Objection to the Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility, License No. 13615 Filed by Volcano Flower. Subject to the following Standard Conditions

[Clerk's Note: Standard Conditions for Marijuana Facilities are as follows:

1. The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough.
2. There shall be no parking in the borough rights-of-way generated by the marijuana establishment.
3. The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligations consistent with KPB 7.30.020(A).]

approved.

KPB-1724 Assembly Meeting Schedule Amendment (Bagley)

approved.

President Ogle called for public comment.

Ed Martin, Jr., Sterling Highway spoke in opposition to Resolution 2018-021 as amended.

The following people spoke in support of Resolution 2018-021:

Mr. Reutov, Kachemak-Selo

Tim Whip, Homer

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

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

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

COMMENDING RESOLUTIONS AND PROCLAMATIONS

KPB-1721 Mayor's Proclamation Declaring the week of May 19-25, 2018 as "National Safe Boating Week"

[Clerk's Note: The Mayor presented the proclamation to Alan Christopherson and Marion Parish from the U.S. Coast Guard.]

PRESENTATIONS WITH PRIOR NOTICEKPB-1722 South Peninsula Hospital Quarterly Report (10 Minutes)

[Clerk's Note: Joseph Woodin, CEO and Holly Torres, CFO prented the hospital's quarterly report to the assembly.]

KPB-1723 Kenai Peninsula Economic Development District Quarterly Report (10 Minutes)

[Clerk's Note: Tim Dillon, Executive Director of Kenai Peninsula Economic Development District presented a quarterly report to the assembly.]

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Ogle called for public comments.

Carrie Henson, Soldotna spoke about Sudden Infant Death Syndrome (SIDS).

Brian Olson, Soldotna spoke in opposition to the City of Soldotna's annexation proposal.

Tamara Wier, Soldotna spoke in support of SPED Teachers and distance education.

The following people spoke in opposition to senior exemptions in the borough:

Fred Sturman, Soldotna

Susan Smalley, Kenai

Debbie Carey, Ninilchik addressed the assembly regarding public misinformation.

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

MAYOR'S REPORT

Mayor's Report Cover Memo

KPB-1716 Mayor's Report Cover Memo

1. Assembly Requests/Responses - None.
2. Agreements and Contracts

- a. KPB-1717 Authorization to Award a Contract for ITB 18-009 Central Peninsula Hospital Phase VI Obstetrics/Catheterization Lab
- b. KPB-1718 Authorization to Award a Contract for ITB 18-016 Kilcher Road Project No. S7KIL to JC Johnson & Sons, Anchor Point, Alaska
- c. KPB-1719 Authorization to Award a Contract for ITB 18-017 Morrison Drive Project No. S8MOD to Arno Construction, Homer, Alaska.

3. Other

- a. KPB-1720 Investment Portfolio Report

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES

2018-19 An Ordinance Appropriating Funds for Fiscal Year 2019 (Mayor)

[Clerk's Note: A teleconference site will be established at the Borough Office in Homer in order to take public testimony on the above referenced Ordinance.]

Cooper moved to enact Ordinance 2018-19,

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

The following people addressed the assembly regarding Ordinance 2018-19:

Wayne Aderhold, Homer

Ron Keffer, Homer

Jim Hornaday, Homer

Chelsy March, Anchor Point

Jill Burnham, Homer

Chris Willowby, Homer

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

President Ogle called for public comment in assembly chambers.

The following people addressed the assembly regarding Ordinance 2018-19:

Justin Gigiere, Soldotna

Skyler Deal,
Tamy Willis, Soldotna
Timothy Leman, Soldotna
Diane Taylor, Kasilof
Toby Long, Nikiski
Julie Cotrelle, Soldotna
Dave Atchison, Sterling
Pamela Parker, Soldotna
Dr. Casey Rudkin, Soldotna
Zobada Rudkin, Homer
Richard Kotchis, Kenai
Duane Bannock, Kenai
George Pierce, Kasilof
Debbie Speakman, Homer
Lara McGinnis, Kasilof
Brian Gabriel, Kenai
Linda Swarner, Kenai
Paul Ostrander, Kenai
Fred Sturman, Soldotna
Ed Martin, Jr., Cooper Landing
Brian Zak, Homer
Carl Kurtcher, Cohoe Loop
Pegge Erkoneff, Soldotna

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

Smalley moved to amend the FY2019 budget document as follows:

Page 135, General Fund Economic Development, increase account number 100.94900.00000.43021, "Peninsula Promotion - KPTMC" to \$306,500.

Assembly Members Bagley and Cooper spoke in support of the amendment.

The motion to amend the FY2019 budget document carried by the following vote:

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

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

Bagley moved to amend the FY2019 budget document as follows:

Page 94, Information Technology, decrease account number 100.11231.0000040120, "Temporary Wages" to \$0.

The motion to amend the FY2019 budget document carried by the following vote:

Yes: 7 - Dunne, Bagley, Hibbert, Carpenter, Cooper, Smalley, and Ogle

No: 2 - Fischer, and Blakeley

Bagley moved to amend the FY2019 budget document as follows:

Page 61, Assembly Administration, decrease account number
100.11110.00000.43210, "Transportation and Subsistance" to \$15,000.

Page 71, Mayor Administration, decrease account number
100.111210.00000.43210, "Transporation and Subsistance" to \$12,000.

The motion to amend the FY2019 budget document carried by the following vote:

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

Bagley moved to amend the Ordinance 2018-19.

Amend Section 2 to read, "The following is appropriated to the School Fund from local sources for operations purposes and in-kind services:

A. Local Effort \$[40,383,797] 38,883,797

B. Maintenance [7,432,374] 7,929,758

C. School District Utilities 89,900

D. School District Insurance 2,621,584

E. School District Audit 93,000

F. Custodial Services 120,393

Total Local Contribution per AS 14.17.410 \$[50,741,048] \$49,738,432"; and

Delete Section 4 and renumber the remaining sections.

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

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

Cooper moved to postpone Ordinance 2018-19 to June 5, 2018.

The motion to postpone Ordinance 2018-19 to June 5, 2018 as amended carried by the following vote:

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

UNFINISHED BUSINESS

Postponed Items

2018-12

An Ordinance Increasing the Borough Sales Tax Rate from 3.0 Percent to 3.5 Percent by Amending KPB 5.18.100, Subject to Approval by the Voters in the Regular Election on October 2, 2018 (Cooper, Smalley)

[Clerk's Note: The motion to enact was on the floor from the April 3, 2018 meeting.]

[Clerk's Note: Public hearing for Ordinance 2018-12 was held May 1, 2018.]

Cooper moved to amend Ordinance 2018-12.

Add the following whereas clauses at the end of the existing whereas clauses:

"WHEREAS, the assembly has increased the mill rate to _____ which is estimated to raise approximately \$ _____ in additional revenues for fiscal year 2019; and

WHEREAS, to avoid imposing too many taxes, the borough's best interests would be served by reverting the sales tax rate to 3.0 percent effective January 1 of the year after fiscal year 2019 for which the assembly sets the mill levy on property taxes at more than 4.5 mills;"

Amend Section 1 to read, "That KPB 5.18.100 is hereby amended as follows:

SECTION 1. That KPB 5.18.100 is hereby amended as follows:

5.18.100. General-Levied-Amount.

A. There is levied by the borough a consumer's sales tax of up to 3.5 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. The maximum rate of 3.5 percent shall be reduced to 3.0 percent effective January 1 of the year for which the assembly sets the rate of levy on property taxes at more than 4.5 mills for a fiscal year after fiscal year 2019.

B. In addition to the tax levied by the borough, any municipality within the borough may levy a consumer's sales tax as provided by Alaska Statute which shall be reported, collected, and enforced according to the terms of this chapter." and

Amend Section 2 to read, "That a ballot proposition shall be placed before borough voters at the regular election on October 2, 2018 to read as follows:

Shall Ordinance 2018-12, providing for an increase of 0.5 percent to the maximum borough sales tax rate, which would revert to 3.0 percent effective January 1 of any year after 2019 for which the assembly sets the property tax mill rate at greater than 4.5 mills be ratified?

Yes ____ A "yes" vote means you approve of increasing the borough's maximum sales tax rate from 3.0 percent to 3.5 percent. This sales tax rate would revert to 3.0 percent effective January 1 of any year after 2019 in which the assembly sets the property tax mill rate at greater than 4.5 mills.

No ____ A "no" vote means you oppose increasing borough's maximum sales tax

rate from 3.0 percent to 3.5 percent. This sales tax rate would revert to 3.0 percent effective January 1 of any year after 2019 in which the assembly sets the property tax mill rate at greater than 4.5 mills. "

The motion to amend Ordinance 2018-12 failed by the following vote:

Yes: 4 - Dunne, Cooper, Smalley, and Ogle

No: 5 - Fischer, Bagley, Hibbert, Carpenter, and Blakeley

Cooper moved to amend Ordinance 2018-12 as follows:

Section 3 to read, "That Sections 2 and 3 of this ordinance shall become effective immediately upon enactment of this ordinance. Section 1 of this ordinance shall become effective [APRIL] January 1, 2019, only if the proposition contained in Section 2 is approved by a majority of voters voting on the question in the regular election of October 2, 2018. "

The motion to amend Ordinance 2018-12 carried by the following vote:

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

Cooper moved to postpone Ordinance 2018-12 to June 5, 2018.

The motion to postpone Ordinance 2018-12 to June 5, 2018 as amended carried by the following vote:

Yes: 6 - Dunne, Fischer, Blakeley, Cooper, Smalley, and Ogle

No: 3 - Bagley, Hibbert, and Carpenter

Notices to Reconsider

2017-19-21 An Ordinance Providing for an Exception to KPB 5.20.080 and Transferring \$3,000,000 from the Land Trust Fund to the General Fund (Mayor) (Reconsideration Given by Fischer)

Fischer moved to reconsider Ordinance 2017-19-21.

The motion to reconsider Ordinance 2017-19-21 failed by the following vote:

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

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

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Ogle called for public comment.

Carrie Henson, Soldotna spoke regarding elected officials qualifications.

Duane Bannock, Kenai spoke in opposition to funding Kenai Peninsula Tourism and

Marketing Council (KPTMC).

Johna Beech, KPTMC Chair thanked the assembly for their support.

George Pierce, Kasilof spoke in opposition to funding KPTMC and Ordinance 2018-12.

Brian Olson, Soldotna spoke in opposition to the current conference room usage policy.

Summer Lazenby, KPTMC Executive Director thanked the assembly for their support.

Ed Martin, Jr., Cooper Landing spoke in opposition to the emergency corridor service area and various budgetary issues.

David Brighton, Kenai spoke in support of funding education.

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

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. June 5, 2018 Regular Assembly Meeting
6:00 PM Assembly Chambers, Soldotna, Alaska

ASSEMBLY COMMENTS

Assembly Member Fischer wished everyone a good evening.

Assembly Member Dunne thanked everyone who testified both in person and telephonically. He stated investing in education was one of the best investments we make. Mr. Dunne wished everyone a good Memorial Holiday weekend.

Assembly Member Blakeley wished everyone a good evening.

Assembly Member Cooper thanked the borough staff for being readily available at assembly meetings, stating she appreciated everyone.

Assembly Member Smalley thanked the presenters for the great presentations and for the public members' testimony. He congratulated the borough employees on their retirement: Mark Schaafsma and Gerry Bussdieker, both from the Maintenance Department. Mr. Smalley wished everyone a good evening.

Assembly Member Hibbert thanked everyone for their testimony and for the

presentations. He stated the assembly had a work session with city councils and administrators on May 7, 2018, stating there was great conversation. He wished everyone a safe holiday weekend.

Assembly Member Carpenter thanked everyone for their testimony and for the presentations. He reminded everyone of the Mermaid Festival in Seward, May 18 - 20, 2018. Mr. Carpenter wished everyone a safe and great holiday weekend.

Assembly Member Bagley gave a brief update on the dog park project in Soldotna.

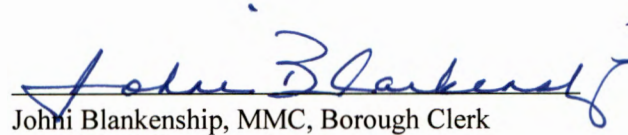
Assembly President Ogle thanked everyone for their testimony. He stated even though the assembly may not always agree, they were trying to do their best and felt that was very important.

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 10:13 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of May 15, 2018.


John Blankenship, MMC, Borough Clerk

Approved by the Assembly: 6-5-18

