



KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520
Toll-free within the Borough: 1-800-478-4441 Ext. 2150
PHONE: (907) 714-2150 • **FAX:** (907) 714-2377
www.mayor.kenai.ak.us

Mike Navarre
Borough Mayor

MEMORANDUM

TO: Kenai Peninsula Borough Assembly Members
Kelly Cooper, Assembly President

FROM: Mike Navarre, Borough Mayor *MN*

DATE: April 6, 2017

RE: Ordinance 2017-*09*, Creating the Eastern Peninsula Highway Emergency Service Area (EPHESA)

Over the past year, the EMS work group and Mayor's administration have been working to identify ways to address inconsistent emergency service coverage along the heavily traveled highways that serve as the sole road connection between the peninsula and the rest of the state. Due to the length of the highway segments, and the lack of taxable property in the area, it is not feasible to create a traditional service area to provide emergency response services along the corridor. This ordinance would establish the Eastern Peninsula Highway Emergency Service Area (EPHESA) and authorize the borough to exercise emergency service powers within this specific highway corridor. This proposed service area has no registered voters, and the borough's authority would be limited to only within the highway corridor and, if necessary, publicly owned property adjacent to the highway to house emergency response equipment and personnel for the service area, not the adjacent communities or any neighboring private property.

The borough currently exercises emergency service powers in six service areas: Anchor Point Fire & Emergency Medical Service Area, Bear Creek Fire Service Area, Central Emergency Service Area, Central Peninsula Emergency Medical Service Area, Kachemak Emergency Service Area, and the Nikiski Fire Service Area. This ordinance does not appropriate any funding for EPHESA. Any appropriation request will be considered separately by the Assembly.

To date, information and feedback sessions have been held in Hope, Moose Pass, and Cooper Landing. Additional sessions are scheduled within the next week in Seward, Homer, and Soldotna. The EMS work group has received significant support for this concept from members of the public, emergency responder groups, the Alaska Department of Public Safety, the Alaska Municipal League and the Southern Region EMS Council.

Resolution 2017-021, adopted by the Assembly on March 7, 2017, requested that the Mayor review the proposed highway corridor service area, provide a report to the assembly evaluating the need and the estimated cost of the service area, and make a recommendation.

Following is the mayor's report issued pursuant to resolution 2017-021.

MAYOR'S REPORT TO ASSEMBLY

Proposed EPHESA Service Area Boundary

The proposed service area would encompass the following highway corridors Seward Highway MP 8.5 to 76.4 (Bear Creek Service Area boundary to KPB boundary), Sterling Highway MP 37 to 57.9 (CES boundary to Seward Highway Junction), and the Hope Highway MP 0 to 17.8. The adjacent communities (Hope, Moose Pass, Cooper Landing) would not be within the service area. Attached to this memo is a map and legal description of the proposed service area.

Need for Service

The primary reason for establishing this service area is to provide consistent and coordinated emergency service response to incidents along this heavily traveled highway corridor. This issue has been brought to the Mayor's administration by borough and local volunteer departments multiple times over the years. The 2015 Healthcare Task Force initiated the EMS work group after public feedback sessions across the peninsula identified inconsistent EMS services as a significant healthcare issue concerning borough residents.

Additionally, in February 2016, the borough administration held a meeting with Cooper Landing Emergency Services, Alaska Department of Health and Social Services, Southern Region EMS Council, Central Emergency Services, KPB Office of Emergency Management, and KPB 911 Dispatch due to the growing concerns about response resources along the highway. The group identified a number of short-term ideas to help maintain a functioning level of services in the region, but made it clear a longer-term solution needed to be identified and pursued.

Currently, small volunteer EMS responder groups from the surrounding communities attempt to provide services for the entire highway corridor. When these agencies are unable to respond, KPB services are pulled out of their own regions to respond. The lack of coordination and resources dedicated to the highway corridor burdens both KPB resources and the communities along the corridor. Local volunteers are overwhelmed responding to highway calls with extended response and transportation times, and quickly burn out. The board of directors for Cooper Landing Emergency Services (CLES), a private nonprofit corporation, has held votes on multiple occasions to consider limiting their services to solely their own community – away from the highway. CLES has continued to attempt to service a large portion of the corridor, but has indicated they cannot sustain the current system for long. Without the creation of a service area, the borough does not have the authority to address emergency services on this highway.

Estimated Cost of the Service Area

The work group estimated EPHESA costs by modeling a potential framework for this type of service area and assessing estimated expenses. Ultimately, the service area board would finalize the model and present a budget recommendation to the Mayor. This ordinance does not assess a mill or appropriate any funding. Any funding decisions for the service area will be made by the Assembly.

The work group proposes that the service area initially not have its own responders or equipment, but instead focus on leveraging existing available resources. Borough resources would go primarily towards ensuring consistent response is available along the highway by

contracting for services with one or more private entities. Resources would also go towards supporting efforts to recruit and train volunteers and ensuring consistent medical oversight. Initially, we anticipate annual expenses in the range of \$350,000 for the service area. Roughly \$100,000 of this estimate comes from costs associated with a part-time employee, medical director oversight, mileage reimbursements, and other associated standard budget items. The remaining portion (\$250,000) is an estimate of contractual fees for services; this estimate could vary based on the outcome of the procurement process for these contracts.

Federal payments-in-lieu-of-taxes (PILT) are well suited as a source of funding for EPHESA. The federal law establishing PILT recognizes that the inability of local governments to collect property taxes on federally owned land can impose a financial burden on municipalities. The current challenges with emergency services in the region can be tied largely to the long stretches of state highway right-of-way on federal land and the inadequate tax base for a traditional service area.

Using PILT funding also presents a solution that allows the borough to exercise emergency service powers without requiring a significant overhaul of the budgets of the long-standing service areas in the borough. Due to the fact that service areas cannot have overlapping powers, adopting borough-wide EMS powers would require parsing out the EMS portion of existing agency budgets, levying an area-wide tax for EMS, and reallocating EMS costs back to agencies delivering the services. The work group explored this option and found that, while the adoption of borough-wide EMS powers may be technically possible, there is stronger rationale and more widespread support for creating a corridor area funded via PILT. As all of the borough's federal PILT receipts are deposited into the general fund, any use of those dollars could require either commensurate spending cuts elsewhere in the borough budget or identifying other revenue sources to make the general fund whole with the new spending.

Population

There are no registered voters residing within the proposed service area boundaries. The highway corridor serves residents and visitors to and from the entire borough. Alaska Department of Transportation statistics for 2015 show the average traffic count on the unprotected stretches of the Seward and Sterling highways at between 3,000 and 4,000 vehicles a day — with summer peaks at three times that level. The proposed highway service area is not within any existing EMS service area.

Next Steps

If this ordinance is passed, the administration will begin the process of identifying and appointing service area board members. The service area board will be tasked with creating the structure for services and assembling a proposed budget. Assuming passage of Alaska House Bill 148, there will be no additional requirements under AS. 29.35.490 to be satisfied prior to the ordinance taking effect.

Summary

With the support of the community and emergency service providers across the borough, the administration recommends moving forward with the process of forming EPHESA.