



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Final

Assembly

Blaine Gilman, President

Brent Johnson, Vice President

Dale Bagley

Kelly Cooper

Willy Dunne

Brandii Holmdahl

Gary Knopp

Wayne Ogle

Stan Welles

Tuesday, June 7, 2016

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

The invocation was given by Pastor Tim Weekly from the Sterling Baptist Church.

ROLL CALL

Present: 8 - Dale Bagley, Kelly Cooper, Willy Dunne, Brandii Holmdahl, Vice President Brent Johnson, Gary Knopp, Wayne Ogle, and Stan Welles

Excused: 1 - President Blaine Gilman

Also present were:

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 Knopp stated the Policies and Procedures Committee met and discussed its agenda items.

Per KPB 16.04.040, Knopp moved to set a public hearing on Ordinance 2016-22 within the boundaries of the proposed service area for June 16, 2016 at 6:00 p.m. in Assembly Chambers. Committee members: Brent Johnson, Chair; Wayne Ogle, Assembly Member and Willy Dunne, Assembly Member.

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Excused: 1 - Gilman

APPROVAL OF AGENDA AND CONSENT AGENDA

Cooper moved to approve the agenda and consent agenda.

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

Vice Chair Johnson passed the gavel and declared a possible conflict regarding Ordinance 2016-22, as his family and his wife's family own recreational property in the expanded portion of the Central Kenai Peninsula Hospital Service Area. Through legal counsel, President Pro Tem Cooper ruled a conflict did not exist as defined in code.

President Pro Tem Cooper returned the gavel to Vice President Johnson.

[KPB-747](#) May 17, 2016 Regular Assembly Meeting Minutes
approved.

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

[2016-14](#) An Ordinance Providing for the Submission to the Qualified Voters of the Kenai Peninsula Borough, Alaska, the Question of Authorizing the Issuance of General Obligation Bonds Not To Exceed Ten Million Six Hundred Thousand Dollars (\$10,600,000) of the Kenai Peninsula Borough to Pay Costs of Planning, Design, Construction, and Equipping of Solid Waste Disposal Facilities, at an Election in and for the Kenai Peninsula Borough On October 4, 2016 (Mayor)
The Ordinance was enacted.

New Business

[2016-034](#) A Resolution Authorizing the Kenai Peninsula Borough to Participate in the AMLJIA Loss Control Incentive Program (Mayor)
This Resolution was adopted.

[2016-035](#) A Resolution Confirming Appointment of Assembly Member Bagley to the Cook Inlet Aquaculture Board (Gilman)
This Resolution was adopted.

[2015-19-32](#) Appropriating \$1,041,200.22 to the Special Assessment Fund for the Funny River East Utility Special Assessment District (Mayor)

This Ordinance was introduced and set for public hearing.

[2015-19-33](#) An Ordinance Authorizing the Design and Completion of Phase V of the Central Peninsula Hospital Imaging Expansion and Remodel Master Plan and Appropriating \$2,019,040 from the CPH Plant Replacement and Expansion Fund for the Project (Mayor)

This Ordinance was introduced and set for public hearing.

[2015-19-34](#) An Ordinance Appropriating \$114,069.36 to Fully Fund the 35 Percent Match for Design and Implementation of the Salmon Creek 205 Section Project Partnership Agreement Approved by Resolution 2015-035 (Mayor)

This Ordinance was introduced and set for public hearing.

[2016-20](#) Authorizing a Negotiated Lease at Less Than Fair Market Value with SAH Soccer, Inc. dba Soccer Association of Homer of Approximately 3.5 Acres of Borough Land Adjacent to the Homer Middle School for the Development, Management and Maintenance of a Year-Round Indoor Field AKA "South Peninsula Athletic and Recreation Center" (Mayor)

This Ordinance was introduced and set for public hearing.

[2016-21](#) An Ordinance Eliminating the Assembly \$25 Internet Access Allowance (Johnson)

This Ordinance was introduced and set for public hearing.

[2016-22](#) An Ordinance Amending KPB 16.08.010 and 16.24.010 to Move the Common Boundary Between the Central Kenai Peninsula Hospital Service Area and the South Kenai Peninsula Hospital Service Area South, Subject to Approval by Voters Residing in the Central Kenai Peninsula Hospital Service Area and the Proposed New Area (Johnson)

[Clerks Note: A teleconference Site will be established at the Borough Office in Homer to receive public testimony on the above ordinance during the assembly meeting.]

This Ordinance was introduced and set for public hearing.

[2016-23](#) Amending KPB 22.40.055 to Clarify when an Assembly Agenda Item May be Withdrawn (Holmdahl)

This Ordinance was introduced and set for public hearing.

[2016-24](#)

An Ordinance Amending KPB 5.12.105 to Allow for a Phase-Out of the Optional Senior Citizen Exemption for New Applicants by the Year 2024, Subject to Voter Approval (Mayor)

This Ordinance was introduced and set for public hearing.

[KPB-740](#)

Approving a New Liquor License Application Filed by Steve Smith and LeAnne Smith dba Captain Steve's Fishing Lodge, Ninilchik (Referred to Finance Committee)

Approved.

Approval of the Agenda and Consent Agenda

Vice President Johnson called for public comments.

The following people spoke in opposition to Ordinance 2016-24:

Jim Hedberg, Soldotna
George Pierce, Soldotna

The following people spoke in support of Ordinance 2016-22:

Kathy Wallace, Ninilchik
Martha Ogren, Clam Gulch
Michelle Ogren, Clam Gulch
Darwin Waldsmith, Ninilchik
Debbie Cary, Ninilchik
Linda Hawkins, Corea Bend
Mary Heinz, Ninilchik
Dana York, Clam Gulch
Debbie Blossom, Sterling Highway
Jim Kentchello, Sterling Highway

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

The agenda and consent agenda was approved as amended.

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

COMMENDING RESOLUTIONS AND PROCLAMATIONS

None.

PRESENTATIONS WITH PRIOR NOTICE

[KPB-746](#) South Peninsula Hospital Quarterly Report (10 minutes)

[Clerk's Note: Bob Letson, CEO and Tammy Ackerman, Controller presented South Peninsula Hospital's quarterly report to the assembly.]

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Vice President Johnson called for public comments with none being offered.

MAYOR'S REPORT

1. Assembly Requests/Responses - None.
2. Agreements and Contracts
 - a. [KPB-741](#) Sole Source Purchase from Western Financial
 - b. [KPB-742](#) Authorization to Award Contract for ITB16-035, 2016 CIP Divine Court, Estate Court, St. Joseph Street & Rustic Avenue, Project No. W6DIV to Knik Construction Company, Inc., Soldotna, AK
 - c. [KPB-743](#) Authorization to Award Contract for ITB16-034, 2016 CIP Monica St., Kenai Dr. Cooper St. & Poplar Ave, Project No. C1MON to Hammond Trucking & Excavating, Inc., Soldotna, AK

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES

[2016-15](#) An Ordinance Providing for the Submission to the Qualified Voters of South Kenai Peninsula Hospital Service Area the Question of the Issuance of Not-to-Exceed Four Million Eight Hundred Thousand Dollars (\$4,800,000) of General Obligation Bonds of the South Kenai Peninsula Hospital Service Area to Pay Costs of Planning, Design, Construction, and Equipping of Facilities at the South Peninsula Hospital and Homer Medical Center at an Election in and for the Kenai Peninsula Borough on October 4, 2016 (Mayor)

Cooper moved to enact Ordinance 2016-15.

Vice President Johnson called for public comments with none being offered.

Assembly Member Welles spoke in opposition to Ordinance 2016-15.

Assembly Member Cooper spoke in support of Ordinance 2016-15.

Cooper's motion to enact carried by the following vote:

Yes: 7 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, and Ogle

No: 1 - Welles

[2016-16](#)

An Ordinance Amending KPB 5.18.200(A)(16) and 5.18.430 by Increasing the Maximum Amount of a Sale Subject to Borough Sales Tax to \$1,000, Subject to Voter Approval, with an Adjustment for Inflation Every Fifth Year; and, if Voters Approve Increasing the Maximum Taxable Amount to \$1,000, Exempting Residential Rentals From Sales Tax (Mayor)

Cooper moved to enact Ordinance 2016-16.

Vice President Johnson called for public comments.

The following people spoke in support of Ordinance 2016-16.

Debbie Cary, Ninilchik

Bruce Wall, Soldotna

Daniel Lynch, Soldotna

The following people spoke in opposition to Ordinance 2016-16.

George Pierce, Kasilof

Christine Schmidt, Soldotna

Fred Sturman, Soldotna

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

Welles moved to amend Ordinance 2016-16 by substitute.

Assembly Member Ogle spoke in opposition to the amendment by substitute.

The motion to amend by substitute failed by the following vote:

Yes: 1 - Welles

No: 7 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, and Ogle

Assembly Members Cooper and Knopp spoke in support of Ordinance 2016-16.

Assembly Member Welles spoke in opposition to Ordinance 2016-16.

Bagley moved to postpone Ordinance 2016-16 to June 21, 2016. The motion to postpone carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

[2016-19](#)

An Ordinance Appropriating Funds for Fiscal Year 2017 (Mayor)

[Clerk's Note: The motion to enact Ordinance 2016-19 was on the floor from the May 17, 2016 meeting.]

Vice President Johnson called for public comments.

The following people addressed the assembly regarding Ordinance 2016-19.

Dennis Smith, Sterling

Sarah Crappuchettes, Kenai

Debbie Cary, Ninilchik

Joyanna Gieser, Homer

Lionel Johnson, Unalik Drive

George Pierce, Kasilof

Fred Sturman, Soldotna

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

Bagley moved to amend the budget document as follows:

Page 137, Economic Development increase line item 100.94900.00000.43010, "Contractual Services - CARTS" by \$50,000 with the specification that a portion of the funding must be used for the Independent Living Center and other entities in the borough for public transportation.

Assembly Members Holmdahl, Ogle and Welles spoke in opposition to the amendment.

Assembly Member Dunne spoke in support of the amendment.

Bagley's motion to amend failed by the following vote:

Yes: 4 - Bagley, Cooper, Dunne, and Johnson

No: 4 - Holmdahl, Knopp, Ogle, and Welles

Bagley moved to amend the budget document as follows:

Page 288, Central Peninsula Landfill increase line 290.32122.00000.40XXX, "Personnel" by \$145,762; line 290.32122.00000.42230, "Fuel, oil, lubricants" by \$7,293;

Page 291, Seward Transfer Facility increase line 290.32150.00000.43011, "Contract Services" by \$41,317;

Page 293, Homer Transfer Facility increase line 290.32310.00000.43011, "Contract Services" by \$31,200;

Page 296, Landfills, Hauling, and Waste Programs increase line 290.32570.00000.43011, "Contract Services" by \$30,551;

Page 138, Non-Departmental increase line 100.94910.00000.50290, "S/D Solid Waste" by \$256,123.

Assembly Members Welles, Dunne and Ogle spoke in opposition to the amendment.

Bagley's motion to amend failed by the following vote:

Yes: 1 - Bagley

No: 7 - Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Bagley moved to amend the budget document as follows:

Page 288, Central Peninsula Landfill increase line 290.32122.00000.40XXX, "Personnel" by \$33,637; line 290.32122.00000.52230, "Fuel, oil, lubricants" by \$3,420;

Page 291, Seward Transfer Facility increase line 290.32150.00000.43011, "Contract Services" by \$10,727;

Page 293, Homer Transfer Facility increase line 290.32310.00000.43011, "Contract Services" by \$6,816;

Page 296, Landfills, Hauling and Waste Programs increase line 290.32570.00000.43011, "Contract Services" by \$9,332;

Page 138, Non-Departmental increase line 100.94910.00000.50290, "S/D to Solid Waste" by \$63,932.

Bagley's motion to amend carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Cooper moved to amend the budget document as follows:

On page 323, cancel project 400.78050.17855.49999, areawide locker replacement, in the amount of \$100,000; reduce project 400.78050.17727.49999, areawide bleacher replacement from \$125,000 to \$100,000 and add Nanwalek Propane Tank Separation and Repiping Project in the amount of \$125,000, project number 400.71030.17704.49999.

Cooper's motion to amend carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Cooper moved to amend the budget document as follows:

On page 323, reduce project 400.78050.17759.49999, areawide water quality, from \$125,000 to \$75,000 and add project 400.78050.17FIG.49999, school facility reconfiguration, in the amount of \$50,000.

Cooper's motion to amend carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Cooper moved to amend the budget document as follows:

Page 75, Purchasing and Contracting increase line 100.11227.00000.40XXX, "Personnel" by \$12,168.

Cooper's motion to amend carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Bagley moved to enact Budget Ordinance 2016-19 as amended.**The motion to enact as amended carried by the following vote:**

Yes: 7 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, and Ogle

No: 1 - Welles

NEW BUSINESS

Resolutions

[2016-033](#) A Resolution Setting the Rate of Levy for Real and Personal Property Taxes for the Kenai Peninsula Borough and for Service Areas within the Borough for Fiscal Year 2017, Tax Year 2016 (Mayor)

Cooper moved to suspend the rules and move Agenda Item O.1.a, Resolution 2016-033 before Agenda Item M.5, Ordinance 2016-13. The motion carried by the following vote;

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

Excused: 1 - Gilman

Cooper moved to adopt Resolution 2016-033.

Vice President Johnson called for public comments with none being offered.

Vice President Johnson passed the gavel to President Pro Tem Cooper and spoke in support of Central Emergency Service Area's personnel and volunteers. President Pro Tem Cooper returned the gavel to Vice President Johnson.

The motion to adopt Resolution 2016-033 carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

PUBLIC HEARINGS ON ORDINANCES (con't)

2016-13

An Ordinance Amending the Borough Code to Incorporate the Capital Projects Department into the Purchasing and Contracting Department and Make Other Associated Amendments (Mayor)

Knopp moved to enact Ordinance 2016-13.

President Gilman called for public comments.

Duane Bannock, Kenai spoke in support of Ordinance 2016-13.

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

The motion to enact carried by the following vote:

Yes: 8 - Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

2016-18

An Ordinance Waiving the Right to Protest the State of Alaska's Issuance of Certain Marijuana Cultivation Licenses (Cooper)

Knopp moved to enact Ordinance 2016-18.

Vice President Johnson called for public comments.

George Pierce, Kasilof spoke in support of Ordinance 2016-18.

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

Assembly Members Knopp, Holmdahl, Ogle and Welles spoke in opposition to Ordinance 2016-18.

The motion to enact failed by the following vote:

Yes: 1 - Cooper

No: 7 - Bagley, Dunne, Holmdahl, Johnson, Knopp, Ogle, and Welles

UNFINISHED BUSINESS

None.

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

Vice President Johnson called for public comments.

Debbie Cary, Ninilchik addressed the assembly regarding a non-smoking ordinance, as well as an ordinance defining areas for alcohol and marijuana.

Fred Sturman, Soldotna addressed the assembly regarding generating more revenue and more budget cuts.

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

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

June 21, 2016 Regular Assembly Meeting 6:00 PM Assembly Chambers, Borough Administration Building

ASSEMBLY COMMENTS

Assembly Member Bagley stated he took exception to Mr. Welles comments during the budget ordinance regarding a collapsing economy and read several quotes from an article Bill Pop, former assembly member and oil and gas liaison for the borough, wrote for *Inc. Alaska* magazine on how well the economy was thriving. He stated Kenai Peninsula Economic Development reported that the number of U-Hauls coming to and leaving the borough were no different than previous years. Mr. Bagley also reported that the price of oil hit \$50 and \$52 a barrel on two indexes. He stated that the real estate market was doing well and that several local businesses had told him they were having some of the best years. He stated this years tourism was reported to be one of the biggest and our health care industry was doing well, keeping folks here locally. Mr. Bagley stated he does not like hearing doom and gloom scenarios without having some information to support them.

Assembly Member Holmdahl thanked the administration and Finance Department for all their hard work on the budget. She stated Seward celebrated 100 years of national parks and unveiled a new mural with the National Parks Director. She stated the Seward community was excited about Resolution 2016-035 permitting work on flood projects that were greatly needed. Ms. Holmdahl shared that her daughter Rose competed in the NCAA rowing finals and took third place. She wished Mayor Navarre happy birthday.

Assembly Member Welles wished Mayor Navarre happy birthday and everyone a good evening.

Assembly Member Dunne thanked the administration and the mayor for their hard work on the budget and the presentations given to the assembly. He congratulated the administration for having a very competent staff and was doing a great job. Mr.

Dunne stated the budget was a difficult item, but felt a reasonable compromise was accomplished. He stated that he also had heard stories of doom and gloom; however, Alaskans were resilient. Mr. Dunne expressed his condolences to the family and friends of Carmen Field, who was a long-time Kachemak Bay resident.

Assembly Member Ogle congratulated the administration with the FY17 budget. He thanked Mr. Bagley for his positive comments regarding the economy. He shared his experiences with observing the negotiations of the collective bargaining agreement and stated he was impressed with our Human Resources Director, Stormy Brown. Mr. Ogle stated he was glad he followed Mayor Navarre's lead on funding the school district. He stated with the upcoming proposed sales and property tax revisions merited considering the unintended consequences and the impact they may have. He stated he was hopeful that the Health Care Task Force could come up with health care savings in the borough.

Assembly Member Cooper thanked the administration for all their work on the budget. She stated it was impressive to watch the compromises that happened. She stated she was saddened to hear that the Independent Living Center voucher program was going away as it affected a lot of residents. Ms. Cooper thanked her grandson Gage for accompanying her to the meeting.

Vice President Johnson stated he appreciated the Finance Department and Mayor for their hard work on the budget. He echoed the previous comments about the great borough employees, stating his dealings with them had been amazing.

INFORMATIONAL MATERIALS AND REPORTS

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Gilman adjourned the meeting at 10:21 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of June 7, 2016.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____

