



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Draft

Assembly

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

Tuesday, April 7, 2015

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

The invocation was given by Pastor Kevin Spence from Soldotna Bible Chapel.

ROLL CALL

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

Also present were:

Colette Thompson, Borough Attorney

Johni Blankenship, Borough Clerk

Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

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

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

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

Assembly Member Wolf stated the Legislative Committee met and discussed its agenda items.

APPROVAL OF AGENDA AND CONSENT AGENDA

McClure moved to approve the Agenda and Consent Agenda.

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

[KPB-0245](#) March 17, 2015 Regular Assembly Meeting Minutes

Attachments: [031715 Regular Assembly Meeting Minutes](#)

approved.

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

[2014-19-45](#) An Ordinance Expanding the Scope of a School Facility Tile Replacement Project Previously Authorized by Ordinance 2014-19 to Include Other School Facilities (Mayor)

Attachments: [O2014-19-45](#)

[Memo](#)

This Budget Ordinance was enacted.

[2014-19-46](#) An Ordinance Appropriating \$20,000 from the Borough's General Fund to the Borough's Uniform Address Sign Project for Additional Funding Needed to Start the 2015 Project Prior to the 2016 Fiscal Year (Mayor)

Attachments: [O2014-19-46](#)

[Memo](#)

This Budget Ordinance was enacted.

New Business

[2015-017](#) A Resolution Approving the Petition Application for the Formation of the Birch Park Utility Special Assessment District for Construction of a Natural Gas Main Line (Mayor)

Attachments: [R2015-017](#)

[Memo](#)

[Birch Park USAD petition backup](#)

This Resolution was adopted.

[2015-018](#) A Resolution Confirming the Appointment of Mako Haggerty to the Prince William Sound Regional Citizen's Advisory Council

Attachments: [R2015-018](#)
[Prince William Sound RCAC Letter](#)

This Resolution was adopted.

[2015-019](#) A Resolution Authorizing the Kenai Peninsula Borough to Issue its South Kenai Peninsula Hospital Service Area General Obligation Refunding Bond to Refund Certain Outstanding General Obligation Bonds of the Borough, Fixing Certain Details of Such Bond and Authorizing Its Sale and Providing for Related Matters (Mayor)

Attachments: [R2015-019](#)
[Memo](#)

This Resolution was adopted.

[2015-020](#) A Resolution Requesting the Federal Subsistence Board Take Special Action to Re-Open the Public Comment Period on the Decision to Allow Gillnet Fishing in the Kenai and Kasilof Rivers and Authorizing the Mayor to Request Reconsideration of the Same (Mayor)

Attachments: [R2015-020](#)
[Memo](#)
[Public Comment](#)

This Resolution was adopted.

[2014-19-48](#) An Ordinance Appropriating \$500,000 from the Insurance and Litigation Fund Balance for Additional Cost of Insurance Premiums and Claims Incurred in FY2015 (Mayor) (Hearing on 04/21/15)

Attachments: [O2014-19-48](#)
[Memo](#)

This Budget Ordinance was introduced and set for public hearing.

[2014-19-49](#) An Ordinance Appropriating \$250,000 for Professional Design Services Associated with the Susan B. English School Shop Restoration Project (Mayor) (Hearing on 04/21/15)

Attachments: [O2014-19-49](#)
[Memo](#)

This Budget Ordinance was introduced and set for public hearing.

[2014-19-50](#) An Ordinance Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$361,657.50 and allocating \$347,732.50 to the City of Seward and \$13,925.00 to the City of Homer (Mayor) (Hearing on 04/21/15)

Attachments: [O2014-19-50](#)

[Memo](#)

[CY14 Commercial Vessel Tax backup](#)

This Budget Ordinance was introduced and set for public hearing.

[2014-19-51](#) An Ordinance Redirecting \$127,781 Deobligated Funds From the U.S. Fish & Wildlife Service, Coastal Impact Assistance Program to the Adopt-a-Stream Education Program (Mayor) (Hearing on 04/21/15)

Attachments: [O2014-19-51](#)

[Memo](#)

[Grant Amendment](#)

This Budget Ordinance was introduced and set for public hearing.

[KPB-0265](#) Confirming an Appointment to the Planning Commission

James Glendening, City of Kenai Seat, Term to Expire July 31, 2016

Attachments: [Notice of Appointment to the KPB Planning Commission](#)

approved.

[KPB-0247](#) Petition to Vacate the 33-foot section line easement lying along the South Boundary of Lot 1 and the 33-foot Section Line Easement Lying along the north boundary of Lot 4, Carrol Martin Subdivision No. 2 (Plat KN 94-82). Also, Vacate the 50-foot Section Line Easement Lying along the North Boundary of Tract C, Kenai Peninsula Borough Aquaculture Subdivision (Plat KN 85-73). All within Section 15 and Section 22, Township 5 North, Range 11 West, S.M., Alaska and within the Kenai Peninsula Borough; on Kalifornsky Beach Road in the Kenai area; KPB File 2015-021

[Clerk's Note: The Planning Commission approved the referenced vacation by unanimous consent its regularly scheduled meeting of March 23, 2015.]

Attachments: [Petition to Vacate](#)

approved.

Approval of the Agenda and Consent Agenda

President Bagley called for public comment.

George Pierce, Kasilof spoke in opposition to Ordinance 2014-19-46.

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

COMMENDING RESOLUTIONS AND PROCLAMATIONS

1. [KPB-0256](#) Mayor's Proclamation Declaring April 2015 as "Safe Digging Month"

Attachments: [Mayors Proclamation - Safe Digging Month](#)

[Clerk's Note: The Mayor presented the proclamation to Kevin Campbell, Enstar Natural Gas Company.]

presented.

2. [KPB-0257](#) Mayor's Proclamation Declaring April 2015 as "Sexual Assault Awareness Month"

Attachments: [Mayor's Proclamation - Sexual Assault Awareness Month](#)

[Clerk's Note: The Mayor presented the proclamation to Ashley Blachford, Lee Shore Center.]

presented.

PRESENTATIONS WITH PRIOR NOTICE

1. [TMP-0147](#) Central Peninsular Hospital Quarterly Report (10 minutes)

Attachments: [LAYDOWN CPGH, Inc Quarterly Report](#)

[Clerk's Note: Lance Spendler, CFO of Central Peninsula Hospital presented the quarterly report to the assembly.]

presented.

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Bagley called for public comments.

The following people addressed the assembly regarding the Fairfield Local Option Zone:
Mercedes Gibbs, Soldotna

Travis Penrod, Soldotna

The following people addressed the assembly regarding flooding issues in the Kalifornsky Beach area:

Toby Burke, Soldotna

Dave Yragui, Soldotna

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

MAYOR'S REPORT

1. Assembly Requests/Responses

- a.** [KPB-0266](#) Correspondence between Mayor's office and Ms. Keohane

Attachments: [Memo](#)

[Correspondence Between Mayor's Office and Ms. Keohane](#)

2. Agreements and Contracts

- a.** [KPB-0258](#) Authorization to Sole Source Purchase Globe Turnout Gear from LN Curtis & Sons

Attachments: [Authorization to Award Sole Source Purchase - LN Curtis & Sons](#)

- b.** [KPB-0259](#) Intent to Award a Lease to Plymire Investments, LLC for Office Space for the Homer Satellite Office

Attachments: [Intent to Award a Lease - Plymire Investments, LLC](#)

- c.** [KPB-0260](#) Volunteer Coordinator Contract

Attachments: [Volunteer Coordinator Contract](#)

- d.** [KPB-0261](#) Authorization to Award Contract for CPL Crawler Tractor Purchase to NC Machinery, Anchorage, Alaska 99518

Attachments: [Authorization to Award Contract - NC Machinery](#)

3. Other

- a.** [KPB-0262](#) Certificate of Achievement for Excellence in Financial Reporting has been awarded to the KPB by the Government Finance Officers Association for the comprehensive annual financial report for the fiscal year ending June 30, 2014

Attachments: [Certificate of Achievement for Excellence in Financial Reporting](#)

- b. [KPB-0263](#) Polar Tankers/Conoco Phillips – Travel Grant Award

Attachments: [Polar Tankers - Conoco Phillips - Travel Grant Award](#)

- c. [KPB-0264](#) Investment Portfolio Report

Attachments: [Investment Portfolio Report](#)

- d. [KPB-0272](#) LAYDOWN: Alaska LNG Environmental Review, Summer 2015 Field Work, Larry Persily, Special Assistant to the Mayor - Oil, Gas and Mining

Attachments: [LAYDOWN: Environmental Review, Summer 2015 Field Work Presentation](#)

[Clerk's Note: Larry Persily gave a 10-minute presentation regarding the summer 2015 field work.]

Meeting went into Recess at 7:35 p.m.

Meeting Reconvened at 7:45 p.m.

ITEMS NOT COMPLETED FROM PRIOR AGENDA- None.

PUBLIC HEARINGS ON ORDINANCES

- [2015-03](#) (Bagley) Substitute: Amending KPB 5.18.200 to Change the Seasonal Exemption from Sales Taxes of Non-Prepared Food Items to Apply from October 1 to March 31 of Each Year (Bagley)

Attachments: [O2015-03 \(Bagley\) Sub](#)

[O2015-03 \(Bagley\) Sub Memo](#)

[Public Comment](#)

[Additional Public Comments](#)

[Legal Article Response Memo](#)

[Additional Public Comments \(2\)](#)

[Additional Public Comments \(3\)](#)

[Mill Rate History](#)

[O2015-03](#)

[Memo](#)

The motion to enact was on the floor from the March 17, 2015 meeting.

President Bagley called for public comments.

The following people spoke in support of Ordinance 2015-03 (Bagley) Substitute:

- David Brighton**, Kenai
- Linda Murphy**, Soldotna
- LaDawn Druce**, Sterling
- Tamara Wear**, Soldotna
- Mark Dixon**, Soldotna
- William Keller**, Soldotna
- Lori Kapp**, Soldotna
- Tim Navarre**, Kenai

The following people spoke in opposition to Ordinance 2015-03 (Bagley) Substitute:

- Daniel Lynch**, Soldotna
- James Price**, Nikiski
- George Pierce**, Kasilof
- Tara Cain**, Anchor Point

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

Wolf moved to amend Ordinance 2015-03 (Bagley) Substitute as follows:

Add a new Section 2 and replace Section 3 to read as follows:

"SECTION 2. That a ballot proposition shall be placed before borough voters at the regular election to read:

PROPOSITION No. _____

Shall Ordinance 2015-03 Substitute, amending the seasonal sales tax exemption period by changing it from a 9-month exemption to a 6-month exemption, be ratified?

- Yes _____ A yes vote will change the exemption to a 6-month exemption.
- No _____ A no vote will leave the exemption as a 9-month exemption.

SECTION 3. That Section 2 shall become effective immediately upon enactment of this ordinance. Section 1 of this ordinance shall become effective January 1, 2016, 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 6, 2015."

Johnson moved to amend the Wolf amendment to include the following:

Add a new first Whereas clause to read:

"WHEREAS, October 2002 an initiative exempting non-prepared food from sales tax failed by a vote of 3,976 to 7,051."; and

Add a new second-to-last Whereas clause to read:

"WHEREAS, voters of the Kenai Peninsula Borough have never before had a 6-month non-prepared food exemption option on a ballot."; and

Replace the final Whereas to read:

"WHEREAS, making this ordinance effective January 1, 2016 would allow ample time to implement it."

Assembly Members Wolf, Johnson and Ogle spoke in support of the amendments.

Assembly Members Haggerty, Cooper and Gilman spoke in opposition to the amendments.

The secondary motion to amend Ordinance 2015-03 (Bagley) Substitute carried by the following vote:

Yes: 5 - Wolf, Ogle, Bagley, Johnson, and McClure

No: 4 - Haggerty, Gilman, Welles, and Cooper

The main motion to amend Ordinance 2015-03 (Bagley) Substitute as amended carried by the following vote:

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

Assembly Members Haggerty and Cooper spoke in opposition to the substitute.

Assembly Members Johnson and Wolf spoke in support of the substitute.

The motion to enact Ordinance 2015-03 (Bagley) Substitute as amended carried by the following vote:

Yes: 5 - Wolf, Bagley, Johnson, McClure, and Gilman

No: 4 - Ogle, Haggerty, Welles, and Cooper

[Clerk's Note: Reconsideration was filed by Wolf.]

[2015-04](#) An Ordinance Enacting KPB 1.12.070 to Approve a Policy Requiring Fiscal Notes for Certain Legislation (Ogle, Wolf)

Attachments: [O2015-04](#)

[Memo](#)

[fiscal note policy](#)

[fiscal note form](#)

[Public Comment](#)

McClure moved to enact Ordinance 2015-04.

President Bagley called for public comments.

The following people spoke in support of Ordinance 2015-04:

George Pierce, Kasilof
Christine Hutchinson, Kenai
Michele Hartline, Nikiski
Daniel Lynch, Soldotna
James Price, Nikiski
Tara Cain, Soldotna

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

Assembly Members Haggerty and Johnson spoke in opposition to Ordinance 2015-04.

Assembly Member Ogle spoke in support of Ordinance 2015-04.

The motion to enact carried by the following vote:

Yes: 7 - Wolf, Ogle, Bagley, McClure, Gilman, Welles, and Cooper

No: 2 - Johnson, and Haggerty

[2015-05](#) An Ordinance Amending KPB 22.40.100(B) Regarding Debate of Ordinances Proposed for Introduction (Bagley, Johnson)

Attachments: [O2015-05](#)

[Memo](#)

McClure moved to enact Ordinance 2015-05.

President Bagley called for public comments with none being offered.

Assembly Members Johnson, Gilman and Ogle spoke in support of Ordinance 2015-05.

Assembly Member Welles spoke in opposition to Ordinance 2015-05.

The motion to enact carried by the following vote:

Yes: 8 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, and Cooper

No: 1 - Welles

[2015-06](#) An Ordinance Approving Goodrich - Jackson Single-Family Residential (R-1) Local Option Zoning District and Amending KPB 21.46.040 (Mayor)

Attachments: [O2015-06](#)[Planning Commission Recommendations](#)[Memo](#)[Goodrich-Jackson LOZ backup](#)[Notice of Proposed LOZ](#)[Public Comment](#)[Additional Public Comments](#)

Haggerty moved to enact Ordinance 2015-06.

President Bagley called for public comments.

The following people spoke in opposition to Ordinance 2015-06:

Clinton Lott, Soldotna

Ray Hendricks, Echo Lake

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

Haggerty moved to amend Ordinance 2015-06 as follows:

The final Whereas clause to read:

"WHEREAS, the Kenai Peninsula Borough Planning Commission held public hearings on February 9, 2015, and March 23, 2015, and recommended denial of the formation of the local option zoning district by unanimous consent;"

The motion to amend carried by the following vote:

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

Haggerty moved to enact Ordinance 2015-06 as amended. The motion to enact as amended FAILED by the following vote:

No: 9 - Wolf, Ogle, Bagley, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

UNFINISHED BUSINESS

NEW BUSINESS

Ordinances for Introduction

[2015-09](#)

An Ordinance Amending KPB 5.18.430, Computation-Maximum Tax, by Increasing the Maximum Amount of a Sale Subject to the Borough Sales Tax to \$1,000 with a Triennial Adjustment for Inflation, Subject to Voter Approval (Cooper) (Hearing on 05/05/15)

Attachments: [O2015-09](#)

[Memo](#)

[Public Comments](#)

McClure moved to introduce and set for public hearing on May 5, 2015.

President Bagley called for public comments with none being offered.

Assembly Member Haggerty spoke in support of Ordinance 2015-09.

The motion to introduce and set for public hearing carried by the following vote:

Yes: 7 - Ogle, Johnson, Haggerty, McClure, Gilman, Welles, and Cooper

No: 2 - Wolf, and Bagley

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Bagley called for public comments with none being offered.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

April 21, 2015 Regular Assembly Meeting 6:00PM Seward

ASSEMBLY COMMENTS

Assembly Member Wolf gave notice of reconsideration on Ordinance 2015-03 (Bagley) Substitute and wished everyone a good evening.

Assembly Member Johnson stated he appreciated the public's opinions as well as the assembly members'.

Assembly Member Cooper thanked everyone for their thought and energy in the topics discussed. She stated she really appreciated it.

Assembly Member Haggerty stated he took exception to a previous comment made by a public member regarding the assembly already having their minds made up on the sales tax issue. He stated that was not the case and public testimony meant a lot on this issue and all other topics as well. Mr. Haggerty reminded everyone to call 8-1-1 for utility locates before digging on your property. He also shared statistics issued from the Annenburg Public Policy Center that stated 65% of people were incapable of naming one supreme court justice; 15% could name the chief justice; however, 27% of the people polled knew that Randy Jackson was a judge on *American Idol*. Mr. Haggerty stated that was another reason why we should perhaps apply more money to education.

Assembly Member Welles wished everyone a good evening.

Assembly Member Gilman thanked the administration for hiring Larry Persily as the Specie

Assistant to the Mayor - Oil, Gas and Mining, as he felt he was going to be a great addition to the borough. Mr. Gilman stated there had been all kinds of talk about the state's financial situation as doom and gloom. He stated he did not see our state in crisis and felt it was merely a short-term budgetary situation. He stated from his perspective the future of this peninsula was bright.

Assembly Member Ogle congratulated the Mayor and Mr. Ostrander for the Kalifornsky Beach flood impact bus tour. He stated it was very informative. He felt we needed to continue to move in the direction that makes sense for both, the borough's limitations and doing the things that could be done for that particular area. Mr. Ogle shared his point of view with Mr. Haggerty regarding education.

Assembly Member McClure stated she was a teacher for 30 years, who graduated from Seward schools and the University of Alaska Fairbanks. She stated she intended to do whatever she could to promote the continued funding of education. She reminded the public that the videos of the meetings were usually uploaded the next day and encouraged everyone to tune in to the open process of the public meetings. Ms. McClure thanked the administration for the Kalifornsky Beach flood impact bus tour and stated it was a whole different flooding issue than what they had in Seward. Ms. McClure stated she ordered sunshine for the assembly's visit to Seward for the April 21st meeting.

President Bagley stated that by his count, there were at least five assembly members, the mayor and the borough clerk, and perhaps some he didn't know of, who were products of the Kenai Peninsula school system. He stated that one of the highlights as being Mayor and an assembly member was going to Seward and Homer every year.

INFORMATIONAL MATERIALS AND REPORTS

None.

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Bagley adjourned the meeting at 9:47 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of April 7, 2015.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____

