



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Final

Assembly

Kelly Cooper, President
Wayne Ogle, Vice President
Dale Bagley
Kenn Carpenter
Willy Dunne
Paul Fischer
Brent Hibbert
Jill Schaefer
Stan Welles

Tuesday, August 1, 2017

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

[Clerk's Note: The invocation was given by Pastor Alan Humphries of Soldotna Church of God.]

ROLL CALL

Present: 9 - Kelly Cooper, Willy Dunne, Wayne Ogle, Stan Welles, Paul Fischer, Dale Bagley, Brent Hibbert, Jill Schaefer, and Kenn Carpenter

Also present were:

Colette Thompson, Borough Attorney

Johni Blankenship, Borough Clerk

Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

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

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

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Ogle 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-1346](#) July 18, 2017 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:

[2017-16](#) An Ordinance Providing for Submission to the Qualified Voters of the Kenai Peninsula Borough, Alaska, the Question of Authorizing the Issuance of General Obligation Debt not to Exceed Five Million Dollars (\$5,000,000) of the Kenai Peninsula Borough to Pay Costs of Planning, Designing, Constructing and Equipping the George A. Navarre Kenai Peninsula Borough Administration Building's Heating, Ventilation and Air Conditioning Mechanical System Replacement and Other Necessary Code-Required Components, at an Election in and for the Kenai Peninsula Borough on October 3, 2017 (Mayor)
This Ordinance was enacted.

[2017-19-02](#) Appropriating \$1,500 for Costs of Printing and Distributing Information about the Ballot Proposition for the Proposed Debt Issuance of \$5 Million to Finance Replacing the Borough Administration Building's Heating, Ventilation and Air Conditioning Systems to Ensure Compliance with Legal Restrictions on the Use of Borough Funds and Assets Related to Ballot Propositions (Mayor)
This Budget Ordinance was enacted.

[2017-20](#) An Ordinance Authorizing Retention or Sale of Certain Real Property Obtained by the Kenai Peninsula Borough through Tax Foreclosure Proceedings (Mayor)
[Clerk's Note: The final Whereas clause in Ordinance 2017-20 was amended to read, "the Planning Commission conducted a public hearing on July 17, 2017, and recommended approval by unanimous consent."; and the parcels listed on Exhibit A were amended to deleted; [01241027] and [01719001]; parcels listed on Exhibit B were amended to delete [01712011], [01713043], [02544509], [05931204], 21128043]."
This Ordinance was enacted.

New Business

[2016-19-45](#) An Ordinance to Record Expenditures of \$937,682.60 Paid by the State of Alaska Department of Administration, Division of Retirement & Benefits on behalf of the Kenai Peninsula Borough toward the Borough's Unfunded PERS Liability (Mayor)

This Budget Ordinance was introduced and set for public hearing.

[2017-19-04](#) An Ordinance Accepting and Appropriating Funding from the State of Alaska in the Amount of \$426,303 for Community Purposes under the State's 2017/2018 Community Assistance Program (Mayor)

This Budget Ordinance was introduced and set for public hearing.

[2017-21](#) An Ordinance Amending the Purchasing Code at KPB 5.28.260(A) to Align the Code with State Statute Regarding School Boards and the Acquisition of Other Professional Services for Service Areas (Mayor)

This Ordinance was introduced and set for public hearing.

[2017-22](#) An Ordinance Amending KPB 20.25.120 – Review and Appeals, KPB 21.06.060(A)(3) – Exceptions Procedure, KPB 21.20 – Hearing and Appeals and KPB 21.25.100 – Appeals (Mayor)

This Ordinance was introduced and set for public hearing.

[KPB-1345](#) Authorizing a Letter of Non-Objection of the Issuance of the New Liquor License as requested by Cooper Landing Brewing Company LLC dba Cooper Landing Brewing Company in Cooper Landing
approved.

[KPB-1338](#) Petition to Vacate a Portion of King Arthur Drive along a portion of Lot 16 as dedicated on Camelot by the Sea Subdivision, Plat SW 76. Also dedicate a public right of way from a portion of Lot 23 of Camelot By The Sea Subdivision, Plat SW 76; located within the SE 1/4 of Section 23, T1N, R1W, S.M., Alaska within the KPB; File 2017-085V

[Clerk's Note: The Planning Commission approved the above referenced petition to vacate at its July 17, 2017 meeting by unanimous consent.]

approved.

[KPB-1347](#) Approving a Restaurant Designation Permit for Luche Incorporated dba Nikko Garden

approved.

[KPB-1333](#) Confirming an Appointment to the Planning Commission (Mayor)

Syverine Abrahamson, Anchor Point/Ninilchik, Term to Expire July 31, 2019

approved.

Approval of the Agenda and Consent Agenda

Present Cooper called for public comment with none being offered.

The motion to approve the Agenda and Consent Agenda as amended carried by the following vote:

Yes: 9 - Cooper, Dunne, Ogle, Welles, Fischer, Bagley, Hibbert, Schaefer, and Carpenter

COMMENDING RESOLUTIONS AND PROCLAMATIONS

None.

PRESENTATIONS WITH PRIOR NOTICE

None.

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Cooper called for public comments.

Carrie Henson, Soldotna addressed the assembly in opposition to its invocation policy.

The following people addressed the assembly in support of its invocation policy.

Alan Humphries, Soldotna

George Pierce, Soldotna

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

MAYOR'S REPORT

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

a. [KPB-1336](#) Revenue - Expenditure Report - June 2017

- b. [KPB-1337](#) Budget Revisions - June 2017

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES

[2017-14](#) An Ordinance Approving an Operating Agreement with Central Peninsula General Hospital, Inc. for Central Peninsula Hospital and Other Medical Facilities (Mayor) (Final Hearing)

[Clerk's Note: The motion to enact was on the floor from the July 18, 2017 meeting.]

President Cooper called for public comment.

The following people spoke in support of Ordinance 2017-14:

Linda Hutchings, Soldotna
Trena Richardson, Soldotna

The following people spoke in opposition to Ordinance 2017-14:

George Pierce, Kasilof
Fred Sturman, Soldotna
Daniel Lynch, Soldotna

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

Ogle moved to amend Ordinance 2017-14 as follows:

Insert a new second whereas clause that reads, "WHEREAS, considering the fluctuations and uncertainties in the health care industry and regulatory environment, the borough's best interests would be served by entering into a five-year agreement instead of another ten-year agreement; and".

Amend Section 1 to read, "The assembly finds that entering into the proposed Operating Agreement with CPGH, Inc., which includes leasing the hospital and other medical facilities to CPGH, Inc. for five years, at less than fair market value, is in the best interest of the borough because CPGH, Inc. has successfully operated the hospital and other medical facilities under the existing and previous contracts, demonstrating its capability to continue doing so. This maintains local control over these assets, and all assets generated through the agreement remain borough property under the proposed agreement."

Assembly Members Welles and Fischer spoke in support of the amendment.

Assembly Member Dunne and Hibbert spoke in opposition to the amendment.

President Cooper passed the gavel to Vice President Ogle and spoke in opposition to the amendment. Vice President returned the gavel to President Cooper.

The motion to amend failed by the following vote:

Yes: 3 - Ogle, Welles, and Fischer

No: 6 - Cooper, Dunne, Bagley, Hibbert, Schaefer, and Carpenter

The motion to enact carried by the following vote:

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

No: 2 - Welles, and Fischer

[2017-17](#)

An Ordinance Amending KPB Chapter 5.18 to Establish an 6 Percent Areawide Sales Tax on Temporary Lodging and Providing for an Exemption of Up to 3 Percent of the Levy on Temporary Lodging within the Boundaries of Cities in the Borough that Levy a Similar Sales Tax in Addition to an Existing General Sales Tax, Subject to Approval by the Voters in the Regular Election on October, 3, 2017 (Mayor)

Hibbert moved to enact Ordinance 2017-17.

President Cooper called for public comment.

The following people addressed the assembly from the Homer teleconference site and spoke in opposition to Ordinance 2017-17:

Debbie Speakman, Homer Chamber of Commerce

Jerry Scholand, Homer

John Faulkner, Homer

Mike Dye, Homer

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

The following people addressed the assembly from the assembly chambers and spoke in opposition to Ordinance 2017-17:

Mike Warburton, Homer

Debbie Cary, Ninilchik

Jerry Johnson, Salmon Catcher Lodge

Joan Corr, Soldotna

Ralph Manzek, Soldotna

Fred Sturman, Soldotna

The following people addressed the assembly from assembly chambers and spoke in support of Ordinance 2017-17:

George Pierce, Kasilof

Carrie Henson, Soldotna

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

Bagley moved to amend Ordinance 2017-17 as follows:

Amend the title to read, "AN ORDINANCE AMENDING KPB CHAPTER 5.18 TO ESTABLISH A 6 [AN 8] PERCENT AREA WIDE SALES TAX ON TEMPORARY LODGING AND PROVIDING FOR AN EXEMPTION OF UP TO 3 [4] PERCENT OF THE LEVY ON TEMPORARY LODGING WITHIN THE BOUNDARIES OF CITIES IN THE BOROUGH THAT LEVY A SIMILAR SALES TAX IN ADDITION TO AN EXISTING GENERAL SALES TAX, SUBJECT TO APPROVAL BY THE VOTERS IN THE REGULAR ELECTION ON OCTOBER, 3, 2017"; and

Amend the seventh Whereas clause to read, "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 6 [8] percent temporary lodging tax any similar additional city tax up to 3 [4] percent so as to share revenues between the borough and cities; and" and

Amend Section 1 to read, "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 6 [8] 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 temporary lodging tax as provided by Alaska Statute which shall be reported, collected, and enforced according to the terms of this chapter." and

Amend Section 3 to read, "That a ballot proposition shall be placed before borough

voters at the regular election on October 3, 2017 to read as follows:

Shall Ordinance 2017-17, providing for the levy of a tax on temporary lodging of up to 6 [8] percent of the rental price, subject to existing exemptions in the borough sales tax code and an exemption of up to 3 [4] percent in any city in the borough that levies a similar additional sales tax on temporary lodging in its boundaries, be approved? "Temporary lodging" means "a service to provide any lodging of less than one month".

Yes ____ A "yes" vote means you approve of a temporary lodging tax of up to 6 [8] percent of the rental price in the borough, with an exemption of up to 3 [4] percent in any city in the borough that levies a similar additional temporary lodging tax.

No ____ A "no" vote means you oppose a temporary lodging tax of up to 6 [8] percent of the rental price in the borough, with an exemption of up to 3 [4] percent in any city in the borough that levies a similar additional temporary lodging tax."

The motion to amend carried by the following vote:

Yes: 8 - Cooper, Dunne, Ogle, Welles, Bagley, Hibbert, Schaefer, and Carpenter

No: 1 - Fischer

Bagley moved to amend Ordinance 2017-17 as follows:

Insert a new fifth and sixth Whereas clause to read, "WHEREAS, the borough has funded tourism promotion for the last 27 years; and

WHEREAS, the continued marketing of the Kenai Peninsula as a tourist destination would be improved with a stable source of funding and allowing up to 15 percent of these additional funds to be used for tourism promotion is a reasonable use of funds collected from this industry; and" and

Amend the very next Whereas clause to read, "WHEREAS, while most of the revenue generated from this additional sales tax on temporary lodging would be used for educational purposes, it would make other borough revenues available to offset these visitor costs; and" and

Add a new Section 2 to read, "SECTION 2. That KP.B 5.18.110 is hereby amended as follows:

5.18.110. General-Proceeds-Use for school purposes and tourism promotion-Payment to cities.

Except as provided in paragraph B of this section, [T]he net proceeds from the taxes collected by the borough pursuant to this chapter shall be used exclusively for borough school purposes.

Up to 15 percent of the net proceeds from taxes authorized by KP.B 5.18.100(B)

may be used to promote tourism in the borough.

[B]C. The net proceeds from the taxes collected for any city shall be promptly paid over to the appropriate city." and

Renumber Section 2 to 3.

Resumber Section 3 to 4 to read, "That a ballot proposition shall be placed before borough voters at the regular election on October 3, 2017 to read as follows:

Shall Ordinance 2017-17, providing for the levy of a tax on temporary lodging of up to ___ percent of the rental price, subject to existing exemptions in the borough sales tax code and an exemption of up to ___ percent in any city in the borough that levies a similar additional sales tax on temporary lodging in its boundaries, and allowing up to 15 percent of the additional revenues to be used for tourism promotion for the borough be approved? "Temporary lodging" means "a service to provide any lodging of less than one month".

Yes ____ A "yes" vote means you approve of a temporary lodging tax of up to ___ percent of the rental price in the borough, with an exemption of up to ___ percent in any city in the borough that levies a similar additional temporary lodging tax, and allowing up to 15 percent to be used to promote tourism in the borough.

No ____ A "no" vote means you oppose a temporary lodging tax of up to ___ percent of the rental price in the borough, with an exemption of up to ___ percent in any city in the borough that levies a similar additional temporary lodging tax, and allowing up to 15 percent to be used to promote tourism in the borough."

Renumber Section 4 to 5 to read, "SECTION 5 [4]. That Sections 4 [3] and 5 [4] of this ordinance shall become effective immediately upon enactment of this ordinance. Sections 1, [and] 2 and 3 of this ordinance shall become effective April 1, 2018, only if the proposition contained in Section 4 [3] is approved by a majority of voters voting on the question in the regular election of October 3, 2017. "

Assembly Members Fischer and Welles spoke in opposition to the Bagley amendment.

The motion to amend failed by the following vote:

Yes: 3 - Dunne, Bagley, and Hibbert

No: 6 - Cooper, Ogle, Welles, Fischer, Schaefer, and Carpenter

Hibbert moved to postpone Ordinance 2017-17 to August 15, 2017.

The motion to postpone Ordinance 2017-17 to August 15, 2017 carried by the following vote:

Yes: 9 - Cooper, Dunne, Ogle, Welles, Fischer, Bagley, Hibbert, Schaefer, and Carpenter

UNFINISHED BUSINESS - None.**NEW BUSINESS**

Resolutions

[2017-050](#) A Resolution Supporting the Incorporation of the Nikiski Area (Ogle)
Tabled 08/01/17

Ogle moved to adopt Resolution 2017-050.

President Cooper called for public comments.

Joan Corr, Soldotna spoke in support of Resolution 2017-050.

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

Ogle moved to table Resolution 2017-050, which carried by the following vote:

Yes: 9 - Cooper, Dunne, Ogle, Welles, Fischer, Bagley, Hibbert, Schaefer, and Carpenter

Ordinances for Introduction

[2017-23](#) An Ordinance amending KPB 5.18.430 to Increase the Maximum Amount of a Sale Subject to the Borough Sales Tax to \$1,000, Except for Residential Rentals, Subject to Voter Approval (Cooper, Mayor)

Hibbert moved to introduce and set for shortened public hearing.

The motion to introduce Ordinance 2017-23 and set for shortened public hearing carried by the following vote:

Yes: 9 - Cooper, Dunne, Ogle, Welles, Fischer, Bagley, Hibbert, Schaefer, and Carpenter

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Cooper called for public comments.

Trena Richardson, Soldotna thanked the assembly for their support of Ordinance 2017-14.

Carrie Henson, Soldotna addressed the assembly regarding borough employee wages and her athiest beliefs.

George Pierce, Kasilof thanked the assembly for its invocation policy and expressed his appreciation of Central Peninsula Hospital.

Rick Davis, CEO Central Peninsula Hospital thanked the Mayor and Assembly for their support of Ordinance 2017-14.

Fred Sturman, Soldotna spoke in opposition to Central Peninsula Hospital's bond debt.

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

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

August 15, 2017 Regular Assembly Meeting 6:00 PM
Borough Assembly Chambers, Soldotna, Alaska

ASSEMBLY COMMENTS

Assembly Member Fischer stated it was good to see Assembly Member Welles and wished everyone a good evening.

Assembly Member Bagley stated it was good to see Assembly Member Welles. He shared that the team from Akita, Japan was amazing with the kanto lanterns at the Progress Parade.

Assembly Member Schaefer thanked everyone for engaging in local government and their comments. She wished everyone a good evening.

Assembly Member Welles thanked everyone for their courtesies and wished everyone a good evening.

Assembly Member Dunne thanked Syverine Abrahamson for the beginning of her public service with the Planning Commission and stated she would do a great job. He thanked Central Peninsula Hospital staff for the tour of the new care transitional and detox facility. Mr. Dunne stated he was looking forward to when the services would be available in the southern peninsula, as they were desperately needed there as well. He thanked everyone for their testimony.

Assembly Member Hibbert welcomed back Assembly Member Welles. He thanked the Central Peninsula Hospital, Inc. board and hospital administration, as well as borough administration for all their work on the new operating agreement. He thanked Carrie Henson for her comments regarding borough employees.

Assembly Member Carpenter thanked everyone for their testimony and welcomed Assembly Member Welles. He wished everyone a good night.

Assembly Member Ogle welcome Assembly Member Welles. He stated the care

transitional facility that was opening soon was impressive. Mr. Ogle stated he recently visited Bryan Zak and the Small Business Development Center. He stated it was a good organization. Mr. Ogle stated he really appreciated the discussion regarding the hospital agreement and that everyone was exposed to good information, which all were all the better for. He applauded the assembly for reducing taxes and encouraged to continue the proposed tax discussions as questions regarding same would be on the ballot.

President Cooper encouraged folks to look at ways to advocate for the bed tax, and stated to please call her if they had questions regarding any ballot initiative. She stated the work and investments put in to both the hospitals directly impacted and helped the local economy. Ms. Cooper stated she was glad to see Assembly Member Welles.

INFORMATIONAL MATERIALS AND REPORTS

None.

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Cooper adjourned the meeting at 9:06 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of August 1, 2017.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____