

# **Kenai Peninsula Borough**

*144 North Binkley Street  
Soldotna, AK 99669*



## **Meeting Agenda**

**Tuesday, November 5, 2019**

**6:00 PM**

**Betty J. Glick Assembly Chambers**

### **Assembly**

*Norm Blakeley*

*Jesse Bjorkman*

*Kenn Carpenter*

*Kelly Cooper*

*Tyson Cox*

*Willy Dunne*

*Brent Hibbert*

*Brent Johnson*

*Hal Smalley*





# Assembly Meeting Schedule

**TUESDAY, NOVEMBER 5, 2019**

**12:30 PM**      **Joint Work Session with Kenai Peninsula Borough  
Planning Commission Regarding Ordinance 2019-30**

**1:45 PM**      **Finance Committee**

**2:45 PM**      **Lands Committee**  
(30 Minute Presentation on KPB Comp Plan)

**3:45 PM**      **Policies and Procedures Committee**

**4:45 PM**      **Legislative Committee**

**6:00 PM**      **Regular Assembly Meeting**

Above listed meetings will be held in:

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula Borough Administration Building  
144 North Binkley Street, Soldotna, Alaska





# Finance Committee

November 5, 2019

1:45 PM

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula  
Borough Administration Building

Brent Hibbert, Chair

Tyson Cox, Vice Chair

Brent Johnson

## AGENDA

### PUBLIC HEARINGS ON ORDINANCES

1. Ordinance 2019-19-15: Appropriating Funds to Award a Grant to the Kenai Peninsula Tourism Marketing Council to Support its Planned Projects to Promote the Borough (Hibbert) ..... 11
2. Ordinance 2019-19-16: Appropriating Funds for the Cost of Hiring a Part Time Administrative Assistant to Provide Administrative Functions for the Print Shop and Cross Departmental Coverage (Mayor) ..... 14
3. Ordinance 2019-19-17: Accepting and Appropriating \$55,784 from the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management for the Cybersecurity Vulnerability Assessment and Disaster Management Training (Mayor) ..... 17

### NEW BUSINESS

1. Resolutions
  - \*a. Resolution 2019-056: Authorizing the Kenai Peninsula Borough to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Seller Sales Tax Code and Designating the Commission Representative (Mayor) ..... 70
  - \*b. Resolution 2019-057: Supporting Three Applications to Supplement Eligible Hazard Mitigation Projects Under the Federal Emergency Management Agency and Alaska Division of Homeland Security & Emergency Management "Hazard Mitigation Grant Program (Mayor) ..... 85

2. Ordinances for Introduction

- \*a. Ordinance 2019-19-18: Appropriating Additional Funding for the Construction of the Nikiski Fire Station Number Three (Mayor) (Hearing on 12/03/19) ..... 100
- \*b. Ordinance 2019-19-19: Appropriating Phase Two Bond Proceeds for the Purpose of Purchasing Emergency Vehicles in the Central Emergency Service Area (Mayor) (Hearing on 12/03/19) ..... 104
- \*c. Ordinance 2019-19-20: Appropriating Additional Funding for the Anchor Point Fire and Emergency Medical Service Area Station One Boiler Replacement (Mayor) (Hearing on 12/03/19) ..... 107

\*Consent Agenda Items



# Lands Committee

November 5, 2019

2:45 PM

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula  
Borough Administration Building

Brent Johnson, Chair

Kenn Carpenter, Vice Chair

Norm Blakeley

## AGENDA

### ITEMS NOT APPEARING ON THE REGULAR AGENDA

1. 30 Minute Presentation given by Shelly Wade, Project Manager with Agnew::Beck regarding the KPB Comprehensive Plan

### PUBLIC HEARINGS ON ORDINANCES

4. Ordinance 2019-25: Amending KPB 2.56.006 and KPB 2.56.007, Adopting the 2019 Kenai Peninsula Borough Comprehensive Plan (Mayor) ..... 23

### NEW BUSINESS

1. Resolutions
  - \*c. Resolution 2019-058: Establishing an Anadromous Streams Habitat Protection Work Group (Mayor) ..... 89
2. Ordinances for Introduction
  - \*d. Ordinance 2019-30: Amending KPB 21.29, KPB 21.25, and KPB 21.50.055 Regarding Material Site Permits, Applications, Conditions, and Procedures (Mayor) (Hearing on 12/03/19) ..... 110

\*Consent Agenda Items







# Policies and Procedures Committee

November 5, 2019

3:45 PM

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula  
Borough Administration Building

Willy Dunne, Chair

Hal Smalley, Vice Chair

Kenn Carpenter

## AGENDA

### PUBLIC HEARINGS ON ORDINANCES

- 5. Ordinance 2019-23: Amending KPB Titles 2, 4, and 16 Regarding Service Areas to Provide that All Kenai Peninsula Borough Service Area Boards are Appointed Instead of Elected (Dunne, Hibbert) ..... 28

*[Clerk's Note: A teleconference site will be established at Homer City Hall to take public testimony on the above referenced ordinance.]*

- 6. Ordinance 2019-26: Amending KPB 2.60.027 to Modify the Designation of Demarcation Points for Delivery of 911 Calls by Carriers (Mayor) ..... 56

- 7. Ordinance 2019-29: Establishing the Appeal Procedure before the Borough Assembly for the Appeal Filed by Echo Trading Company, LLC of a Planning Commission Decision (Mayor) ..... 59

### NEW BUSINESS

- 1. Resolutions

- \*d. Resolution 2019-059: Approving Labor Negotiation Procedures for a New Collective Bargaining Agreement with the Kenai Peninsula Borough Employees Association (Mayor) ..... 92

- 2. Ordinances for Introduction

- \*e. Ordinance 2019-31: Adopting the Updated 2019 Kenai Peninsula Borough All-Hazard Mitigation Plan and Removing the Word "All" from KPB 2.80.010 (Mayor) (Hearing on 12/03/19) ..... 140

- \*f. Ordinance 2019-32: Approving an Operating Agreement with South Peninsula Hospital, Inc. for South Peninsula Hospital and Other Medical Facilities (Mayor) (Hearing on 12/03/19) ..... 144

3. Other

- \*a. Approval of the 2020 Assembly Meeting Schedule (Cooper) ..... 207
- \*b. Confirming Appointments to Kenai Peninsula Borough Advisory Planning Commissions (Mayor) ..... 208

Kalifornsky Beach Advisory Planning Commission

|                   |        |                       |
|-------------------|--------|-----------------------|
| Geoffrey E. Knuth | Seat C | Term Expires 09/30/20 |
| Gary "Rusty" Swan | Seat D | Term Expires 09/30/21 |
| Aaron Dolifka     | Seat E | Term Expires 09/30/21 |
| Richard R. Homan  | Seat F | Term Expires 09/30/22 |
| Robin Davis       | Seat G | Term Expires 09/30/22 |

Anchor Point Advisory Planning Commission

|               |        |                       |
|---------------|--------|-----------------------|
| Donna White   | Seat D | Term Expires 09/30/22 |
| Raymond Drake | Seat E | Term Expires 09/30/22 |
| Chris Platter | Seat F | Term Expires 09/30/21 |

Cooper Landing Advisory Planning Commission

|                 |        |                       |
|-----------------|--------|-----------------------|
| Janette Cadieux | Seat A | Term Expires 09/30/22 |
| Chris Degernes  | Seat B | Term Expires 09/30/22 |
| Laura Johnson   | Seat G | Term Expires 09/30/22 |

Hope/Sunrise Advisory Planning Commission

|                 |        |                       |
|-----------------|--------|-----------------------|
| Peter Smith Jr. | Seat D | Term Expires 09/30/22 |
|-----------------|--------|-----------------------|

Moose Pass Advisory Planning Commission

|               |        |                       |
|---------------|--------|-----------------------|
| John C. Smart | Seat B | Term Expires 09/30/20 |
| Jeff Hetrick  | Seat G | Term Expires 09/30/22 |
| Kristin Bates | Seat F | Term Expires 09/30/22 |

Funny River Advisory Planning Commission

|                  |        |                       |
|------------------|--------|-----------------------|
| Richard Galloway | Seat F | Term Expires 09/30/22 |
| Michael Masters  | Seat G | Term Expires 09/30/22 |

**MAYOR'S REPORT**..... 233

- 1. Assembly Requests/Responses – None.
- 2. Agreements and Contracts
  - a. Authorization to Award a Contract for RFP20-003 Kenai Peninsula Borough Communication Strategy and Implementation Plan to Agnew::Beck Consulting, Inc. .... 234
- 3. Other
  - a. Revenue- Expenditure Report – September 2019 ..... 235
  - b. Budget Revisions – September 2019 ..... 238
  - c. FY20 – 1Q Senior Grant Reports ..... 240
  - d. FY20 – Economic Development Center ..... 252
  - e. FY20 – 1Q Land Trust Investment Fund – Investment Report ..... 270

\*Consent Agenda Items





# Legislative Committee

November 5, 2019

4:45 PM

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula  
Borough Administration Building

Hal Smalley, Chair

Jesse Bjorkman, Vice Chair

Willy Dunne

## AGENDA

### NEW BUSINESS

1. Resolutions

- \*e. Resolution 2019-060: Urging the Alaska Department of Transportation and Public Facilities to Keep the Silvertip Maintenance Station Open (Blakeley, Carpenter)

\*Consent Agenda Items





# Assembly Agenda

November 5, 2019 - 6:00 PM

Regular Meeting

Betty J. Glick Assembly Chambers  
George A. Navarre Kenai Peninsula  
Borough Administration Building

Kelly Cooper  
Assembly President  
Seat 8 – Homer  
Term Expires 2020

Harold "Hal" Smalley  
Assembly Vice  
President  
Seat 2 - Kenai  
Term Expires 2020

Jesse Bjorkman  
Assembly Member  
Seat 3 - Nikiski  
Term Expires 2022

Norm Blakeley  
Assembly Member  
Seat 5-Sterling/Funny  
River  
Term Expires 2020

Kenn Carpenter  
Assembly Member  
Seat 6 – East Peninsula  
Term Expires 2021

Tyson Cox  
Assembly Member  
Seat 4 - Soldotna  
Term Expires 2022

Willy Dunne  
Assembly Member  
Seat 9 - South  
Peninsula  
Term Expires 2021

Brent Johnson  
Assembly Member  
Seat 7 – Central  
Term Expires 2022

Brent Hibbert  
Assembly Member  
Seat 1 – Kalifornsky  
Term Expires 2021

## CALL TO ORDER

## PLEDGE OF ALLEGIANCE

## INVOCATION

Any invocation that may be offered at the beginning of the assembly meeting shall be a voluntary offering of a private person, to and for the benefit of the assembly. No member of the community is required to attend or participate in the invocation.

*[Clerk's Note: The invocation will be offered by Willy Dunne.]*

## ROLL CALL

## COMMITTEE REPORTS

## APPROVAL OF AGENDA AND CONSENT AGENDA

(Action items listed with an asterisk (\*) are considered to be routine and non-controversial by the Assembly and will be approved by one motion. Public testimony will be taken. There will be no separate discussion of these items unless an Assembly Member so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.)

### ACTION ITEMS CURRENTLY ON CONSENT AGENDA

Resolution 2019-056  
Resolution 2019-057  
Resolution 2019-058  
Resolution 2019-059  
Resolution 2019-060  
Ordinance 2019-19-18  
Ordinance 2019-19-19  
Ordinance 2019-19-20  
Ordinance 2019-30  
Ordinance 2019-31  
Ordinance 2019-32  
Approval of 2020 Assembly Meeting Schedule  
Confirming Appointments to KPB APC's

ACTION ITEMS ELIGIBLE TO BE ADDED TO THE CONSENT AGENDA  
Ordinance 2019-19-16  
Ordinance 2019-19-17

**APPROVAL OF MINUTES**

- \*1. October 22, 2019 Regular Assembly Meeting Minutes ..... 1

**COMMENDING RESOLUTIONS AND PROCLAMATIONS**

**PRESENTATIONS WITH PRIOR NOTICE** (20 Minutes total)

- 1. Alaska Small Business Development Program Review, Cliff Cochran, Director and Business Advisor (10 Minutes)

**PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**  
(3 minutes per speaker; 20 Minutes aggregate)

**ITEMS NOT COMPLETED FROM PRIOR AGENDA**

**PUBLIC HEARINGS ON ORDINANCES** (Testimony limited to 3 minutes per speaker)

- 1. Ordinance 2019-19-15: Appropriating Funds to Award a Grant to the Kenai Peninsula Tourism Marketing Council to Support its Planned Projects to Promote the Borough (Hibbert) (Referred to Finance Committee) ..... 11
- 2. Ordinance 2019-19-16: Appropriating Funds for the Cost of Hiring a Part Time Administrative Assistant to Provide Administrative Functions for the Print Shop and Cross Departmental Coverage (Mayor) (Referred to Finance Committee) ..... 14
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- 4. Ordinance 2019-25: Amending KPB 2.56.006 and KPB 2.56.007, Adopting the 2019 Kenai Peninsula Borough Comprehensive Plan (Mayor) (Referred to Lands Committee) ..... 23

*[Clerk's Note: Shelly Wade, Project Manager with Agnew::Beck will be giving a brief synopsis on the comprehensive plan.]*



5. Ordinance 2019-23: Amending KPB Titles 2, 4, and 16 Regarding Service Areas to Provide that All Kenai Peninsula Borough Service Area Boards are Appointed Instead of Elected (Dunne, Hibbert) (Referred to Policies and Procedures Committee) ..... 28  
  
*[Clerk's Note: A teleconference site will be established at Homer City Hall to take public testimony on the above referenced ordinance.]*
6. Ordinance 2019-26: Amending KPB 2.60.027 to Modify the Designation of Demarcation Points for Delivery of 911 Calls by Carriers (Mayor) (Referred to Policies and Procedures Committee) ..... 56
7. Ordinance 2019-29: Establishing the Appeal Procedure before the Borough Assembly for the Appeal Filed by Echo Trading Company, LLC of a Planning Commission Decision (Mayor) (Referred to Policies and Procedures Committee) ..... 59

**UNFINISHED BUSINESS**

**NEW BUSINESS**

1. Resolutions
  - \*a. Resolution 2019-056: Authorizing the Kenai Peninsula Borough to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Seller Sales Tax Code and Designating the Commission Representative (Mayor) (Referred to Finance Committee) ..... 70
  - \*b. Resolution 2019-057: Supporting Three Applications to Supplement Eligible Hazard Mitigation Projects Under the Federal Emergency Management Agency and Alaska Division of Homeland Security & Emergency Management "Hazard Mitigation Grant Program (Mayor) (Referred to Finance Committee) ..... 85
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Peninsula Borough Employees Association (Mayor) (Referred to Policies and Procedures Committee) ..... 92

\*e. Resolution 2019-060: Urging the Alaska Department of Transportation and Public Facilities to Keep the Silvertip Maintenance Station Open (Blakeley, Carpenter) (Referred to Legislative Committee)..... 98

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Kalifornsky Beach Advisory Planning Commission

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|-------------------|--------|-----------------------|
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| Aaron Dolifka     | Seat E | Term Expires 09/30/21 |
| Richard R. Homan  | Seat F | Term Expires 09/30/22 |
| Robin Davis       | Seat G | Term Expires 09/30/22 |

Anchor Point Advisory Planning Commission

|               |        |                       |
|---------------|--------|-----------------------|
| Donna White   | Seat D | Term Expires 09/30/22 |
| Raymond Drake | Seat E | Term Expires 09/30/22 |
| Chris Platter | Seat F | Term Expires 09/30/21 |

Cooper Landing Advisory Planning Commission

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| Chris Degernes  | Seat B | Term Expires 09/30/22 |
| Laura Johnson   | Seat G | Term Expires 09/30/22 |

Hope/Sunrise Advisory Planning Commission

|                 |        |                       |
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| Peter Smith Jr. | Seat D | Term Expires 09/30/22 |
|-----------------|--------|-----------------------|

Moose Pass Advisory Planning Commission

|               |        |                       |
|---------------|--------|-----------------------|
| John C. Smart | Seat B | Term Expires 09/30/20 |
|---------------|--------|-----------------------|

Jeff Hetrick                      Seat G                      Term Expires 09/30/22

Kristin Bates                      Seat F                      Term Expires 09/30/22

Funny River Advisory Planning Commission

Richard Galloway                      Seat F                      Term Expires 09/30/22

Michael Masters                      Seat G                      Term Expires 09/30/22

**MAYOR'S REPORT**..... 233

- 1. Assembly Requests/Responses – None.
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  - d. FY20 – Economic Development Center ..... 252
  - e. FY20 – 1Q Land Trust Investment Fund – Investment Report ..... 270

**PUBLIC COMMENTS AND PUBLIC PRESENTATIONS** (3 minutes per speaker)

**ASSEMBLY COMMENTS**

**PENDING LEGISLATION** (This item lists legislation which will be addressed at a later date as noted.)

1. Ordinance 2019-24: Adopting KPB 20.80, Subdivision Private Streets and Gated Subdivisions (Mayor) (Hearing on 12/03/19) (Referred to Lands Committee)

## **INFORMATIONAL MATERIALS AND REPORTS**

### **ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS**

1. December 3, 2019  
6:00 PM  
Regular Assembly Meeting  
Betty J. Glick Assembly Chambers  
Soldotna, Alaska

### **ADJOURNMENT**

*This meeting will be broadcast on KDLL-FM 91.9 (Central Peninsula), KBBI-AM 890 (South Peninsula), K201AO(KSKA)-FM 88.1 (East Peninsula).*

*Copies of agenda items are available at the Borough Clerk's Office and in the Meeting Room just prior to the meeting. For further information, please call the Clerk's Office at 714-2160 or toll free within the Borough at 1-800-478-4441, Ext. 2160. Visit our website at [www.kpb.us](http://www.kpb.us) for copies of the agenda, meeting summaries, ordinances and resolutions.*





# Kenai Peninsula Borough

144 North Binkley Street  
Soldotna, AK 99669

## Meeting Minutes - Draft

### Assembly

*Norm Blakeley*  
*Jesse Bjorkman*  
*Kenn Carpenter*  
*Kelly Cooper*  
*Tyson Cox*  
*Willy Dunne*  
*Brent Hibbert*  
*Brent Johnson*  
*Hal Smalley*

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Tuesday, October 22, 2019

6:00 PM

Betty J. Glick Assembly Chambers

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### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### INVOCATION

[Clerk's Note: The invocation was given by George Holly, Jr.]

### ROLL CALL

**Present:** 9 - Brent Hibbert, Kenn Carpenter, Norm Blakeley, Kelly Cooper, Hal Smalley, Willy Dunne, Jesse Bjorkman, Tyson Cox, and Brent Johnson

Also present were:

James Baisden, Chief of Staff  
Colette Thompson, Borough Attorney  
Johni Blankenship, Borough Clerk  
Michele Turner, Deputy Borough Clerk

### COMMITTEE REPORTS

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

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

**Dunne moved to authorize Assembly Member Hal Smalley to attend the Western Interstate Region (WIR) Fall Board Meeting in Mariposa, California, October 28 – 30, 2019.**

**The total expense was estimated to be approximately \$2,300, \$1,750 of which will be reimbursed by the Alaska Municipal League (AML) as Mr. Smalley is AML's NACo Representative. The total anticipate expense to the borough was estimated to be no more than \$550.**

**The vote to authorize out of state travel carried by the following vote:**

**Yes:** 9 - Hibbert, Carpenter, Blakeley, Cooper, Smalley, Dunne, Bjorkman, Cox, and Johnson

## **APPROVAL OF AGENDA AND CONSENT AGENDA**

**Smalley 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-2333](#) October 8, 2019 Regular Assembly Meeting Minutes

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

[2019-19-12](#) An Ordinance Accepting and Appropriating Funding from the State of Alaska in the Amount of \$426,303 for Community Purposes under the State's 2019/2020 Community Assistance Program (Mayor)

*[Clerk's Note: Mr. Johnson declared a possible conflict with Ordinance 2019-19-12 as he was President of Kasilof Historical Society, who was one of the grant applicants. Through the advice of counsel, President Cooper ruled Mr. Johnson had a conflict with Ordinance 2019-19-12. Mr. Johnson abstained from the discussion and vote.]*

**This Budget Ordinance was enacted.**

[2019-19-13](#) An Ordinance Accepting Self-Contained Breathing Apparatus Equipment from the City of Kenai through the Assistance to Firefighters Grant Program and Appropriating Matching Funds for the Nikiski Fire Service Area and Central Emergency Service Area Participation (Mayor)

*[Clerk's Note: The ninth and twelfth Whereas clauses in Ordinance 2019-19-13 were amended to read, "at its regular meeting of September 19, 2019, the CES board recommended approval by unanimous consent to meet the match requirement and administrative fee; and"; and "at its regular meeting of October 9, 2019, the NFSA board recommended approval by unanimous*



*consent to meet the match requirement and administrative fee; and”]*

**This Budget Ordinance was enacted as amended.**

[2019-27](#)

An Ordinance Repealing Ordinance 2019-12 and Authorizing the Sale of Certain Real Property Obtained by the Kenai Peninsula Borough Through Tax Foreclosure Proceedings which was Previously Retained for a Public Purpose, and Providing Time to Correct a Notice Deficiency Discovered After Enactment of Ordinance 2019-12 (Mayor)

*[Clerk's Note: Mr. Blakeley declared a possible conflict with Ordinance 2019-27 as he was the contracted auctioneer for the borough's land sale outcry auction. Through the advice of counsel, President Cooper ruled Mr. Blakeley had a conflict regarding Ordinance 2019-27. Mr. Blakeley abstained from the discussion and vote.]*

*[Clerk's Note: The final Whereas in Ordinance 2019-27 was amended to read, "the Planning Commission conducted a public hearing on October 14, 2019, and recommended approval by unanimous consent."; and a new Section 7 was added to read, "That, in order to restore the last record owner's right to repurchase, the real property listed for sale may be repurchased by the record owner, or assigns or heirs, at any time before the sale."; and Section 7 was renumbered to Section 8.]*

**This Ordinance was enacted as amended.**

[2019-28](#)

An Ordinance Correcting Ordinance 2019-13 by Re-Authorizing Retention or Sale of Certain Real Property Obtained by the Kenai Peninsula Borough through Tax Foreclosure Proceedings and Thereby Providing Time to Correct a Notice Deficiency Discovered After Enactment of Ordinance 2019-13 (Mayor)

*[Clerk's Note: Mr. Blakeley declared a possible conflict with Ordinance 2019-28 as he was the contracted auctioneer for the borough's land sale outcry auction. Through the advice of counsel, President Cooper ruled Mr. Blakeley had a conflict regarding Ordinance 2019-28. Mr. Blakeley abstained from the discussion and vote.]*

*[Clerk's Note: The final Whereas in Ordinance 2019-28 was amended to read, "the Planning Commission conducted a public hearing on October 14, 2019, and recommended approval by unanimous consent."]*

**This Ordinance was enacted as amended.**

New Business

[2019-053](#) A Resolution Accepting \$185,000 from the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management for Emergency Management Operations (Mayor)

**This Resolution was adopted.**

[2019-052](#) A Resolution Authorizing a New Program Manager-Operations Position in the Office of Emergency Management, and Deleting One Administrative Assistant Position (Mayor)

**This Resolution was adopted.**

[2019-054](#) A Resolution Requesting Public Land Managers to Take Reasonable Actions to Prevent, Limit and Mitigate Wildfires and their Impacts on the Kenai Peninsula (Mayor, Cooper, Blakeley, Carpenter)

*[Clerk's Note: Section 4 in Resolution 2019-054 was amended as follows:*

*"That a copy of this resolution shall be sent to*

*Alaska State Troopers;*

*State of Alaska Emergency Management;*

*The Alaska Regional Office of the National Park Service;*

*The Alaska Department of Natural Resources, Division of Forestry;*

*Those responsible for the management of Alaska Mental Health Trust Authority lands;*

*The Bureau of Land Management, Anchorage District Office;*

*Kenai National Wildlife Refuge, U.S. Fish and Wildlife Service - U.S.*

*Department of Interior;*

*Chugach National Forest, U.S. Forest Service - U.S. Department of Agriculture;*

*Those responsible for management of Alaska Native Regional Corporation lands;*

*Alaska's Congressional Delegation;*

*The members of the Alaska State Legislature; and*

*Governor Michael Dunleavy"]*

**This Resolution was adopted as amended.**

[2019-055](#) A Resolution Requesting Governor Mike Dunleavy to Support State Funding to Address Seward Area Watershed Issues (Mayor, Carpenter)

**This Resolution was adopted.**

[2019-19-16](#) An Ordinance Appropriating Funds for the Cost of Hiring a Part Time Administrative Assistant to Provide Administrative Functions for the Print Shop and Cross Departmental Coverage (Mayor)

**This Budget Ordinance was introduced and set for public hearing.**

[2019-19-17](#) An Ordinance Accepting and Appropriating \$55,784 from the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management for the Cybersecurity Vulnerability Assessment and Disaster Management Training (Mayor)

**This Budget Ordinance was introduced and set for public hearing.**

[KPB-2323](#) Approving the Application for a Restaurant Designation Permit Filed by Creekbend Company, License Number 1381

**approved.**

[KPB-2313](#) Confirming the Appointment for the Seldovia Recreational Service Area Board (Mayor)

Jennifer Swick, Board Seat D, Term Expires 10/2022

**approved.**

#### Approval of the Consent Agenda

President pro tem 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 - Hibbert, Carpenter, Blakeley, Cooper, Smalley, Dunne, Bjorkman, Cox, and Johnson

### ASSEMBLY REORGANIZATION

#### Election of President and Vice President

*[Clerk's Note: Kelly Cooper was nominated and declared Assembly President.*

*Hal Smalley was nominated and declared Assembly Vice President.]*

### COMMENDING RESOLUTIONS AND PROCLAMATIONS

[KPB-2321](#) Mayor's Proclamation Declaring October, 2019 as "Domestic Violence Awareness Month"

*[Clerk's Note: Chief of Staff Baisden presented the proclamation to Barbara Waters, Leeshore Center & Haven House.]*

### PRESENTATIONS WITH PRIOR NOTICE

1. [KPB-2331](#) Kenai Peninsula Borough School District Quarterly Report (10 Minutes)

*[Clerk's Note: Superintendent O'Brien presented a quarterly report to the assembly.]*

2. [KPB-2334](#) LAYDOWN Climate Action Plan in the Kenai Peninsula Borough's Comprehensive Plan (10 Minutes)

*[Clerk's Note: Three high school students addressed the assembly regarding the borough including a climate action plan in the borough's comprehensive plan. Speakers included; Eve Downing, Lucinda Murrow, Daisy Coe, and Penelope Haas from Kachemak Bay Conservation Society.]*

## **PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

President Cooper called for public comment.

**Daniel Lynch**, Soldotna addressed the assembly regarding online sales tax.

**Todd Paxton**, Nikiski spoke in opposition to Ordinance 2019-23.

The following people spoke in support of the borough including a climate action plan in the comprehensive plan:

**Satchel Pondolfino**, Homer

**Bjorn Olson**, Homer

**George Pierce**, Kasilof thanked the high school students for their presentation regarding a climate action plan.

**Carrie Henson**, Soldotna addressed the assembly regarding her volunteer efforts in the community, and spoke in support of a climate action plan.

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

## **ITEMS NOT COMPLETED FROM PRIOR AGENDA**

None.

## **PUBLIC HEARINGS ON ORDINANCES**

- [2019-19-14](#) An Ordinance Appropriating Funds to Provide for a Contract and Associated Costs to Burn at the Central Peninsula Landfill (Mayor)

**Dunne moved to enact Budget Ordinance 2019-19-14.**

President Cooper called for public comment.

The following people spoke in opposition to Ordinance 2019-19-14:

**Ben Boettger**, Kenai  
**George Pierce**, Kasilof

Assembly Member Bjorkman spoke in opposition to Ordinance 2019-19-14.

Assembly Member Dunne spoke in support of Ordinance 2019-19-14 and encouraged the administration to seek other solutions.

Assembly Member Johnson spoke in support of Ordinance 2019-19-14 and looked forward to future discussions regarding the matter.

**The motion to enact Budget Ordinance 2019-19-14 carried by the following vote:**

**Yes:** 8 - Hibbert, Carpenter, Blakeley, Cooper, Smalley, Dunne, Cox, and Johnson

**No:** 1 - Bjorkman

## UNFINISHED BUSINESS

None.

## NEW BUSINESS

Ordinances for Introduction

[2019-19-15](#) An Ordinance Appropriating Funds to Award a Grant to the Kenai Peninsula Tourism Marketing Council to Support its Planned Projects to Promote the Borough (Hibbert)

**Dunne moved to introduce Budget Ordinance 2019-19-15 and set for public hearing.**

*[Clerk's Note: President Cooper passed the gavel to Vice President Smalley and declared a possible conflict regarding Ordinance 2019-19-15 as she owns a hospitality business. Through the advice of counsel, Vice President Smalley ruled a conflict did not exist as her business was part of a large group. Vice President Smalley returned the gavel to President Cooper.]*

President Cooper called for public comment.

The following people spoke in support of the introduction of Ordinance 2019-19-15:

**Duane Bannock**, Kenai  
**Carrie Henson**, Soldotna

**Debbie Cary**, Ninilchik

The following people spoke in opposition to the introduction of Ordinance 2019-19-15:

**George Pierce**, Kasilof  
**Daniel Lynch**, Soldotna  
**Chris Hayes**, Kenai

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

Assembly Members Blakeley, Smalley, Cox, Johnson, and Bjorkman spoke in support of the introduction of Ordinance 2019-19-15.

**The motion to introduce Budget Ordinance 2019-19-15 and set for public hearing carried by the following vote:**

**Yes:** 9 - Hibbert, Carpenter, Blakeley, Cooper, Smalley, Dunne, Bjorkman, Cox, and Johnson

## **MAYOR'S REPORT**

1. Assembly Requests/Responses - None
2. Agreements and Contracts
  - a. [KPB-2325](#) Authorization to Award a Contract for ITB20-007 Gravel Road Projects FY2020-South 4 Region to Wolf Co. of Anchor Point, Alaska
  - b. [KPB-2326](#) Authorization to Award a Contract for ITB20-007 Gravel Road Projects FY2020-South 7 Region to Wolf Co. of Anchor Point, Alaska
  - c. [KPB-2327](#) Authorization to Award a Contract for ITB20-007 Gravel Road Projects FY2020-West Region to Chumley's Inc. of Nikiski, Alaska
  - d. [KPB-2328](#) Authorization to Award a Contract for ITB20-007 Gravel Road projects FY2020-North Region to Commercial Automotive Repair and Equipment Service of Kenai, Alaska
  - e. [KPB-2329](#) Request for Waiver of Formal Bidding: Phase II-Payroll Portion of ERP Software with the Current Provider Harris
  - f. [KPB-2330](#) Authorization to Award a Contract for ITB20-007 Gravel Road Projects FY2020-South 5 Region to Paul's Services of Anchor Point, Alaska

## 3. Other

- a. [KPB-2332](#) Litigation Status Report - Quarter Ending 09/30/19

**PUBLIC COMMENTS AND PUBLIC PRESENTATIONS**

President Cooper called for public comment.

**George Pierce**, Kasilof addressed the assembly regarding assembly members being included on the Kenai Peninsula Tourism and Marketing Council Board.

**Debbie Cary**, Ninilchik addressed the assembly regarding the Community Assistance Program funding in Ninilchik.

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

**ASSEMBLY COMMENTS**

Assembly Member Johnson stated his appreciation for the three former assembly members; Wayne Ogle, Dale Bagley and Paul Fischer. Mr. Johnson stated it was great to be back and looked forward to working with everyone.

Assembly Member Dunne congratulated the three new assembly members; Tyson Cox, Jesse Bjorkman and Brent Johnson; and stated he looked forward to working with them. He congratulated Ms. Cooper as the new president and Mr. Smalley as the new vice president. Mr. Dunne thanked Carrie Henson for her testimony and clarification regarding the community assistance program. He stated he looked forward to the work session with the Planning Commission regarding material sites. He thanked everyone for their testimony regarding a climate action plan, stating they were the right steps for the borough.

Assembly Member Blakeley wished everyone a good night.

Assembly Member Bjorkman thanked the citizens of Nikiski for the opportunity to serve as their assembly representative. He encouraged everyone to submit their comments, questions or concerns; stating, "we are all smarter together". Mr. Bjorkman also encouraged everyone to contact the governor's office and Department of Transportation regarding the state keeping the Silver Tip station manned to continue the maintenance and plowing of the Seward Highway during the winter.

Assembly Member Cox stated he was happy to be here and looked forward to serving the community over the next several years. He stated the Soldotna High School Football team won their eighth championship.

Assembly Member Hibbert thanked everyone for their testimony. He thanked Dan Nelson and Brenda Ahlberg for all their hard work during the fire response efforts. He thanked Mr. O'Brien for his presentation. Mr. Hibbert welcomed the new assembly members and stated he looked forward to working with them. He wished everyone a good evening.

Assembly Member Carpenter thanked everyone for their testimony. He also thanked the youths for their involvement with the climate action plan. Mr. Carpenter agreed with Mr. Bjorkman and encouraged everyone to submit their comments to the governor, legislators and the Department of Transportation.

Assembly Member Smalley congratulated and welcomed the new assembly members. He thanked Brenda Ahlberg and Dan Nelson for all their hard work, stating they did the lion's share of the job with the fire response efforts. Mr. Smalley discussed the mission and efforts of the Western Interstate Regions (WIR) of Alaska Municipal League. He encouraged assembly members to attend the Alaska Municipal League's annual conference in Anchorage, November 18 - 22, 2019.

President Cooper stated she looked forward to working with the new assembly members. She stated she felt confident that the residents of the borough were represented well. She also encouraged the assembly to attend the Alaska Municipal League conference in Anchorage as well.

## **INFORMATIONAL MATERIALS AND REPORTS**

## **ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS**

November 5, 2019 Regular Assembly Meeting  
6:00 PM Betty J. Glick Assembly Chambers, Soldotna, Alaska

## **ADJOURNMENT**

With no further business to come before the assembly, President Ogle adjourned the meeting at 8:47 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of October, 22, 2019.

\_\_\_\_\_  
Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: \_\_\_\_\_



Introduced by: Hibbert  
Date: 10/22/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-15**

**AN ORDINANCE APPROPRIATING FUNDS TO AWARD A GRANT TO THE KENAI  
PENINSULA TOURISM MARKETING COUNCIL TO SUPPORT ITS  
PLANNED PROJECTS TO PROMOTE THE BOROUGH**

**WHEREAS,** the Kenai Peninsula Borough (“borough”) has historically provided financial support to the Kenai Peninsula Tourism Marketing Council (“KPTMC”) to promote tourism in the borough; and

**WHEREAS,** during the budget cycle for FY 2020 the assembly amended the proposed budget to appropriate \$100,000 for Kenai Peninsula promotion by KPTMC, which the mayor later vetoed; and

**WHEREAS,** the KPTMC had made substantial progress in its efforts to market the borough in a low-cost manner through the use of social media, its website, and other means; and

**WHEREAS,** the borough is authorized by statute and code to provide for economic development which includes the promotion of tourism in the areas outside of the cities; and

**WHEREAS,** KPB 19.10.040 requires all applications for grants issued to provide for tourism and development in accordance with KPB 19.10 for this year’s budget must have been submitted by February 15, 2019; and

**WHEREAS,** KPTMC submitted a grant application under KPB 19.10 on February 14, 2019 for the anticipated amount of \$100,000; and

**WHEREAS,** to provide KPTMC with an opportunity to update its grant application to include projects for the total appropriated amount of \$150,000, this ordinance authorizes KPTMC to submit an updated application within 45 days of the date this ordinance is enacted; and

**WHEREAS,** tourism has provided a significant contribution towards the borough’s economy each year and funding the KPTMC will continue the borough’s support of this important segment of the borough’s economy;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The sum of \$150,000 is appropriated from the General Fund, fund balance to account 100.94900.00000.43021, Peninsula Promotion – KPTMC for the purpose of promoting tourism in the areas outside of the cities inside the Kenai Peninsula Borough.

**SECTION 2.** Notwithstanding KPB 19.10.040, KPTMC may submit an updated application for this funding within 45 days of the date this ordinance is enacted. The application shall be presented to the borough administration identifying its proposed programs and/or projects planned in accordance with borough grant application requirements.

**SECTION 3.** That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Brent Hibbert, Assembly Member *BH.*

**DATE:** October 10, 2019

**RE:** Ordinance 2019-19-15, Appropriating Funds to Award a Grant to the Kenai Peninsula Tourism Marketing Council to Support its Planned Projects to Promote the Borough (Hibbert)

---

The borough has funded the Kenai Peninsula Tourism Marketing Council (KPTMC) since the 1990's to promote the visitor industry in the Kenai Peninsula Borough outside of the cities. Tourism is an important component of the borough's economy, and it is in competition with other communities throughout the state for those dollars.

The assembly appropriated \$100,000 for KPTMC in the FY 2020 budget, which was the same amount it had appropriated the previous year, to provide it an opportunity to continue improving its on-line presence and low-cost digital marketing of the borough. However, the mayor vetoed that appropriation. In fiscal years 2016, 2017 and 2018 the assembly had appropriated more than \$300,000 each year for tourism promotion by KPTMC. To continue supporting tourism promotion this ordinance would appropriate \$150,000 to be granted to the KPTMC pursuant to a contract which outlines their plans and proposed project for the rest of this fiscal year.

Your support of this would be appreciated.

| FINANCE DEPARTMENT<br>MATCH ACCOUNT/FUNDS VERIFIED |  |
|--|--|
| Acct. Nos.   | <u>100.27910</u>                       |
| Amount:  | <u>\$150,000.00</u>                    |
| By:  | <u><i>pp</i></u> Date: <u>10/11/19</u> |
|  | <i>BH</i>                              |



Introduced by: Mayor  
Date: 10/22/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-16**

**AN ORDINANCE APPROPRIATING FUNDS FOR THE COST OF HIRING A PART  
TIME ADMINISTRATIVE ASSISTANT TO PROVIDE ADMINISTRATIVE  
FUNCTIONS FOR THE PRINT SHOP AND CROSS DEPARTMENTAL COVERAGE**

**WHEREAS,** highly functioning administrative assistants have proven to be critical to the success of many borough departments; and

**WHEREAS,** the current organizational structure of the borough leaves most of the administrative assistant positions with little or no capacity to adequately cover in the event of an absence or to capture additional workloads during peak periods; and

**WHEREAS,** an acceptable means to augment our workforce has traditionally been through the use of temporary employees, however it has become increasingly difficult to locate and retain skilled temporary administrative assistants for assistance across the departments of the borough; and

**WHEREAS,** the addition of a one-half time position housed in the print shop would provide badly needed assistance during short or long term absences from existing staff across departments and could supplement that need; and

**WHEREAS,** this unanticipated expense was not budgeted for therefore the administration requests deobligation of funds available due to vacancies from the Kenai River Center personnel budget and reappropriating the funds to the print shop personnel budget for this purpose;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The sum of \$33,030 is hereby deobligated from account 100.21135.40110 River Center personnel and reappropriated to account 100.11233.40110 Print Shop personnel;

**SECTION 2.** This ordinance shall become effective immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \*, 2019.**

---

Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough  
Human Resources

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**MEMORANDUM**

**TO:** Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*

**FROM:** Kim Saner, Human Resources Director *KS*  
Brandi Harbaugh, Finance Director *BH*  
Max Best, Planning Director *MB*

**DATE:** August 10, 2019

**SUBJECT:** Ordinance 2019-19-16, Appropriating Funds for the Cost of Hiring a Part Time Administrative Assistant to Provide Administrative Functions for the Print Shop and Cross Departmental Coverage (Mayor)

---

Highly functioning administrative assistants have proven to be critical to the success of many borough departments. The current organizational structure of the borough leaves most of the administrative assistant positions with little or no capacity to adequately cover in the event of an absence or to capture additional workloads during peak periods. An acceptable means to augment our workforce has traditionally been through the use of temporary employees. It has become increasingly difficult to locate and retain skilled temporary administrative assistants for assistance across the departments of the borough. Recruitment often yields no qualified applicants. Alternatively, those that are qualified and possess the necessary skills to be a successful administrative assistant soon depart for more permanent employment.

The addition of a one-half time position would provide badly needed assistance during short or long term absences from existing staff across departments. The position would be housed in the Print Shop during times when all full time staff is in place and could supplement that function and be directed by the Human Resources Department.

This unforeseen need was not budgeted for in the 2020 budget. However, funds are available in the General Fund Department, Kenai River Center's (KRC) Personnel budget due to vacancies and therefore, it is being proposed that available funds of \$33,030 be deobligated and reappropriated to the Print Shop personnel account for this. It would be a Range H classified position.

|  |                        |
|--|------------------------|
| <b>FINANCE DEPARTMENT<br/>FUNDS VERIFIED</b> |                        |
| Acct. No.:                                   | <u>100.21135.40110</u> |
| Amount: \$                                   | <u>33,030.00</u>       |
| By: <u>AP</u>                                | Date: <u>10/10/19</u>  |





Introduced by: Mayor  
Date: 10/22/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-17**

**AN ORDINANCE ACCEPTING AND APPROPRIATING \$55,784 FROM THE STATE OF ALASKA DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT FOR THE CYBERSECURITY VULNERABILITY ASSESSMENT AND DISASTER MANAGEMENT TRAINING**

**WHEREAS**, the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security & Emergency Management (“DHS&EM”) provides funds to enhance the capability of local governments to prevent, deter, respond to and recover from all-hazard incidents and to enhance regional preparedness efforts; and

**WHEREAS**, the DHS&EM State Homeland Security Program is a federal grant pass through program with the Federal Emergency Management Agency which provides funding for planning, equipment, training and exercises; and

**WHEREAS**, the borough applied for and received funding to conduct a cybersecurity vulnerability assessment in the amount of \$40,000; and

**WHEREAS**, the borough applied for and received funding to provide training for planning and management of disaster response and recovery efforts in the amount of \$15,784; and

**WHEREAS**, it is in the best interest of the borough to accept the grant funds;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the mayor is authorized to accept \$55,784 from the State of Alaska Department of Military and Veteran Affairs, Division of Homeland Security and Emergency Management and to execute a grant agreement and any other documents deemed necessary to accept and to expend the grant funds and to fulfill the intents and purposes of this ordinance.

**SECTION 2.** That grant funds in the amount of \$55,784 are appropriated to the account 271.94910.20HSP.49999.

**SECTION 3.** That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \* 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Community & Fiscal Projects

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### MEMORANDUM

**TO:** Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CPB*  
Brandi Harbaugh, Finance Director *BH*  
Ben Hanson, IT Director *BH*  
Dan Nelson, OEM Senior Manager *DN*

**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager *BA*

**DATE:** October 10, 2019

**SUBJECT:** Ordinance 2019-19- 17, Accepting and Appropriating \$55,784 from the State of Alaska Department of Military and Veteran Affairs, Division of Homeland Security and Emergency Management for the Cybersecurity Vulnerability Assessment and Disaster Management Training (Mayor)

---

The borough received an award notification from the Alaska Division of Homeland Security and Emergency Management (DHS&EM) in the amount of \$55,784 through the State Homeland Security Program (SHSP) to fund two projects:

1. Conduct an assessment of the borough's IT infrastructure to evaluate the borough's resiliency against various types of cyberattacks, as well as accidental or malicious actions that could impair the borough's ability to provide essential public safety services to residents and visitors. Ben Hanson, IT Director, will oversee this project.
2. Provide instruction to planning and management officials who are expected to identify and mitigate hazards. Often these public officials are activated into their certified IMT roles or called upon as subject matter experts when required. They are expected to plan and manage disaster response and recovery efforts or have emergency management roles within their jurisdictions. It is expected that this training course will be used for borough personnel as well as officials from cities and non-government officials (NGO) within the borough. This course will be instrumental in fortifying the borough's IMT-III team in conjunction with collaborating jurisdictional and NGO partners for area-wide responses. Dan Nelson, Emergency Manager, will oversee this project.

jurisdictional and NGO partners for area-wide responses. Dan Nelson, Emergency Manager, will oversee this project.

Brenda Ahlberg, Community & Fiscal Projects Manager, will assist project managers to ensure completed reporting requirements. The grant performance period ends September 30, 2021.

|  |                              |
|--|------------------------------|
| <b>FINANCE DEPARTMENT<br/>FUNDS/ACCOUNT VERIFIED</b> |                              |
| Acct. No.  | <u>271.94910.20HSP.49999</u> |
| Amount   | <u>N/A</u>                   |
| By: <u>[Signature]</u>                               | Date: <u>10/9/19</u>         |



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Military and  
Veterans Affairs**

Division of Homeland Security and  
Emergency Management

P.O. Box 5750  
JBER, AK 99505-0800  
Main: 907.428.7000  
Fax: 907.428.7009  
ready.alaska.gov

September 20, 2019

The Honorable Charlie Pierce, Mayor  
Kenai Peninsula Borough  
144 N. Binkley Street  
Soldotna, AK 99669

RE: 2019 State Homeland Security Grant, EMW-2019-SS-00031-S01  
State Grant No.: 20SHSP-GY19

Certified Mail: 9171 9690 0935 0210 4295 99

Dear Mayor Pierce:

We received funds from the U.S. Department of Homeland Security under the 2019 State Homeland Security Grant. We are pleased to award the Kenai Peninsula Borough the amount of \$55,784.00 under this grant. Funding from this program is provided to support, build, and sustain the ability of states, territories, and urban areas to prevent, protect against, mitigate, respond to, and recover from terrorist attacks and other all-hazards events.

Please review the Grant Requirement and Program Terms and Conditions. Program Terms and Conditions will be discussed at the 2019 electronic Grant Kick-Off Meeting to be held in October 2019.

Please review Project Budget Details for Environmental and Historical Preservation requirements and approved project specifics. As a reminder, all procurement transactions must be conducted in a manner providing full and open competition. To ensure this, we require a Procurement Method Report with every expense (with the exception of local advertising, legal notices, and travel arrangements) submitted for reimbursement under this grant and pre-approvals may be required at multiple steps in the procurement process. Please see the Procurement Method Report for additional details.

The 2019 State Homeland Security Program Guidance now requires completion of the Nationwide Cybersecurity Review (NCSR) by all subrecipients by December 31, 2019. More information on this online, self-assessment is will be provided at the 2019 electronic Kick-Off Meeting.

Mayor Pierce  
September 20, 2019  
Page 2 of 2

Enclosed are two pre-signed Obligating Award Documents (OADs). Please review the information for accuracy and review any Special Conditions. Sign both OADs, keep one original for your records, and return the other original within 30 days of jurisdiction receipt to:

State Administrative Agency Point of Contact  
PO Box 5750  
JBER, AK 99505

If the OAD cannot be returned within 30 days due to local jurisdiction policies, a Notice of Intent to Accept Grant Award form must be submitted. The form and instructions are available for download on our Grants website, <http://ready.alaska.gov/grants>.

If signatory points of contacts have changed since submittal of the application, please complete and return a Signatory Authority Form with the signed OAD. The Signatory Authority Form is available for download on our Grants website. If needed, Electronic Payment enrollment forms are also available upon request.

If you have any questions, please contact the Division Project Manager for this grant, Tiffany Peltier, at (907) 428-7026 or by email at [mva.grants@alaska.gov](mailto:mva.grants@alaska.gov).

Sincerely,



Paul L. Nelson  
Deputy Director

Enclosure(s): (2 originals) Obligating Award Document  
Project Budget Details Report

cc: Dan Nelson, Jurisdiction Project Manager  
Brandi Harbaugh, Jurisdiction Chief Financial Officer

Introduced by: Mayor  
Date: 10/08/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-25**

**AN ORDINANCE AMENDING KPB 2.56.006 AND KPB 2.56.007, ADOPTING THE 2019  
KENAI PENINSULA BOROUGH COMPREHENSIVE PLAN**

- WHEREAS,** the Kenai Peninsula Borough provides for planning on an areawide basis in accordance with AS 29.40.010; and
- WHEREAS,** Alaska Statute 29.40.020(b)(1) requires the planning commission to prepare and submit to the assembly a proposed comprehensive plan for the systematic and organized development of the borough; and
- WHEREAS,** the assembly is required by AS 29.40.030(b) to periodically undertake an overall review of the comprehensive plan and update the plan as necessary; and
- WHEREAS,** goal 1.1, objective 7, of the 2005 Kenai Peninsula Borough Comprehensive Plan is to regularly update the comprehensive plan to reflect changing conditions, trends, laws, regulations and policies; and
- WHEREAS,** the existing comprehensive plan was last updated in 2005; and
- WHEREAS,** the social, economic, and environmental conditions of the Kenai Peninsula Borough have changed over the past fourteen years; and
- WHEREAS,** in February of 2017 the Kenai Peninsula Borough contracted with the consulting firm of Agnew::Beck to facilitate a public process and update the existing comprehensive plan; and
- WHEREAS,** throughout 2017 over 2,000 residents of the borough shared their ideas with the project team, the team conducted more than 50 interviews and small group discussions with local organizations, they conducted a random sample telephone survey of 600 households within the borough, and the team had a booth or other presence at 20 public events throughout the borough; and
- WHEREAS,** the planning commission conducted a public hearing for the proposed 2019 comprehensive plan at its August 26, 2019 regular meeting; and
- WHEREAS,** the planning commission at its September 23, 2019 meeting, recommended enactment of the 2019 comprehensive plan;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That KPB 2.56.006 is hereby amended as follows:

**2.56.006. Kenai Peninsula Borough Comprehensive Plan adopted.**

The document entitled “[2005] 2019 Kenai Peninsula Borough Comprehensive Plan” is adopted as the Comprehensive Plan of the Kenai Peninsula Borough.

**SECTION 2.** That KPB 2.56.007 is hereby amended as follows:

**2.56.007. Borough plan amendments.**

A. The following plans are incorporated as elements of the [2005] 2019 comprehensive plan, subject to the applicable goals, objectives, and [ACTIONS] strategies listed [IN CHAPTER 6 OF] within the [2005] 2019 Kenai Peninsula Borough Comprehensive Plan. The classification of borough land shall be consistent with the intent of the following land use plans, provided such classifications are consistent with the findings of fact required by KPB 17.10.080(I).

1. “Community Land Use Plan for Borough Lands in Hope, 1987.”
2. “Community Recommendations on a Land Use Plan for Borough Lands, Hope and Sunrise, 1992 Additions.”
3. “Community Land Use Plan for Borough Lands in Sunrise, 1988.”
4. “Community Recommendations on a Land Use Plan for Borough Lands at Cooper Landing, 1992”, as amended by Ordinance 2018-06.
5. “1996 Cooper Landing Land Use Plan Update.”

B. The document entitled "Comprehensive Plan for Moose Pass, 1993" with boundaries amended by the map dated July 1994 is incorporated as an element of the [2005] 2019 comprehensive plan, subject to the applicable goals, objections, and [ACTIONS LISTED IN CHAPTERS 1 AND 6] strategies within the 2019 comprehensive plan.

C. The document entitled "Kenai Peninsula Borough Trail Plan, 1998" is incorporated as an element of the [2005] 2019 comprehensive plan, subject to the applicable goals, objections, and strategies within the 2019 comprehensive plan.

D. The document entitled "Seward Highway Corridor Partnership Plan, A Strategy for Management, Economic Development, and Conservation 1998" is incorporated as an element of the [2005] 2019 comprehensive plan, subject to the applicable goals, objections, and strategies within the 2019 comprehensive plan.



E. "Cooper Landing Walkable Community Project" dated March 2010 is hereby adopted as [APPENDIX K IN CHAPTER 5, TRANSPORTATION,] an element of the [2005] 2019 Kenai Peninsula Borough Comprehensive Plan, subject to the applicable goals, objections, and strategies within the 2019 comprehensive plan.

**SECTION 3.** That the comprehensive plan shall be reviewed periodically and updated to reflect changing conditions, trends, laws and policies of the borough.

**SECTION 4.** That this ordinance shall become effective upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

---

Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Planning Department

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## MEMORANDUM

**TO:** Wayne Ogle, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Charlie Pierce, Mayor *CP*  
Max Best, Planning Director *MB*

**FROM:** Bruce Wall, Planner *BW*

**DATE:** September 26, 2019

**RE:** Ordinance 2019-25, Amending KPB 2.56.006 and KPB 2.56.007,  
Adopting the 2019 Kenai Peninsula Borough Comprehensive Plan  
(Mayor)

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The 2019 KPB Comprehensive Plan final draft is submitted for your review and decision regarding its adoption.

Over the past two years, planning department staff and the comprehensive plan consulting team have worked closely together to produce a document that is an updated and accurate illustration of existing conditions in the borough.

Throughout 2017, over 2,000 residents of the borough shared their ideas with the project team, the team conducted more than 50 interviews and small group discussions with local organizations, they conducted a random sample telephone survey of 600 households within the borough, and the team had a booth or other presence at 20 public events throughout the borough.

On August 26, 2019, the KPB Planning Commission held a public hearing for the comprehensive plan. After receiving input from the public, the planning commission requested several revisions to the plan be made. At their regular meeting of September 23, 2019, the planning commission approved the 2019 Kenai Peninsula Borough Comprehensive Plan with changes and recommended adoption of the plan by the assembly.

A Copy of the Kenai Peninsula Borough  
Comprehensive Plan is Available Online  
at [www.kpbcompplan.com](http://www.kpbcompplan.com)



|                |                                     |
|----------------|-------------------------------------|
| Introduced by: | Dunne, Hibbert                      |
| Date:          | 09/03/19                            |
| Hearing:       | 10/08/19                            |
| Action:        | Postponed as Amended<br>to 11/05/19 |
| Vote:          | 9 Yes, 0 No, 0 Absent               |
| Date:          | 11/05/19                            |
| Action:        |                                     |
| Vote:          |                                     |

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-23**

**AN ORDINANCE AMENDING KPB TITLES 2, 4 AND 16 REGARDING SERVICE  
AREAS TO PROVIDE THAT ALL KENAI PENINSULA BOROUGH SERVICE AREA  
BOARDS ARE APPOINTED INSTEAD OF ELECTED**

**WHEREAS,** the Kenai Peninsula Borough (“borough”) currently has 12 service area boards of which seven are elected and five are appointed; and

**WHEREAS,** the borough is one of the few boroughs, if not the only, in the State of Alaska with elected service area boards; and

**WHEREAS,** historically there have been numerous vacant seats for service area boards as well as seats where only one person has filed to run; and

**WHEREAS,** in 2017 three service area boards successfully transitioned from elected boards to appointed boards; and

**WHEREAS,** the borough assembly established the Election Stakeholder Group (“ESG”) through the direction and adoption of Resolution 2019-006, which included community members and members from many local governments in the borough, researched ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity; and

**WHEREAS,** after holding many public meetings throughout 2019 the ESG issued a final report with six specific recommendations regarding potential changes to borough code and election processes which are intended to achieve guiding principles initially adopted by the ESG; and

**WHEREAS,** the ESG’s recommendation #5 is that the borough provides for appointed rather than elected service area boards; and

**WHEREAS,** appointed boards have proven to increase public interest in service on a board as potential board members would not have to run or otherwise comply with the election process requirements; and

**WHEREAS,** changing from elected service area boards to appointed boards will significantly reduce the time and expense involved in borough elections; and

**WHEREAS,** the clerk's office has indicated that thousands of dollars would be saved by eliminating these seats from the election process as this would reduce printing costs and time required of election officials and the clerk's office in reviewing and verifying election ballots; and

**WHEREAS,** providing for an appointed board may alleviate voter confusion by reducing the content of the voter pamphlet and the number of ballots as many service areas bifurcate precincts requiring more than one ballot for each precinct; and

**WHEREAS,** the appointment process will remain a public process in which the openings will be advertised, the mayor will appoint interested applicants and the assembly would confirm the appointment to service area boards; and

**WHEREAS,** appointed boards have functioned well for the other five service areas in the borough and throughout other service areas in the state; and

**WHEREAS,** at its September 10, 2019 regular meeting the Bear Creek Fire Service Area board recommended enactment by majority consent; and

**WHEREAS,** at its September 12, 2019 regular meeting the South Kenai Peninsula Hospital Service Area Board opposed enactment by unanimous consent; and

**WHEREAS,** at its September 19, 2019 regular meeting of the Joint Operating board for Central Emergency Service Area and Central Peninsula Emergency Medial Service Area recommended enactment by unanimous consent; and

**WHEREAS,** at its October 7, 2019 regular meeting the Seward Bear Creek Flood board opposed enactment by unanimous consent; and

**WHEREAS,** at its October 9, 2019 regular meeting the Nikiski Fire Service Area board recommended \_\_\_\_\_; and

**WHEREAS,** at its October 23, 2019 regular meeting the Nikiski Senior Service Area board recommended \_\_\_\_\_; and

**WHEREAS,** at its October 28, 2019 regular meeting the North Peninsula Recreation Service Area board recommended \_\_\_\_\_;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** KPB 2.58.010(C) is amended as follows:

**2.58.010. Definitions.**

The following words shall have the following meanings:

- A. "Contract" or "contractual relationship" means any agreement or business relationship between the borough, division of the borough, or service area, whether such contract or agreement is expressed or implied. Sales of retail items or establishment as an approved source of supply of materials or goods are also included in the meaning of contract or contractual relationships.
- B. "Municipal officer" or "employee" means an officer or employee of the borough, whether paid or unpaid, and includes any members of any boards or commissions of the borough other than service area boards.
- C.
  - 1. "Service area board members" means those persons [, WHETHER ELECTED OR APPOINTED,] who serve upon boards of the various service areas as may from time to time be established within the borough.
  - 2. "Service area officers or employees" means an officer or employee of the service area involved in the contractual relationship, but does not include officers or employees of service areas other than the one with which a contractual relationship is sought or entered.

...

**SECTION 2.** KPB 2.58.035 is amended as follows:

**2.58.035. Contracts or sales not constituting substantial interest.**

- A. A contract with a person, firm, corporation or association in which the person has an interest solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract, and the duties of such employment do not directly involve the procurement, preparation or performance of any part thereof;
- B. A contract in which the person has an interest if such contract was entered into prior to the time he/she was [ELECTED OR] appointed as such service area board member, service area officer or employee, but this exception shall in no event authorize a renewal of any such contract;

...

**SECTION 3.** KPB 4.10.070 is amended as follows:

**4.10.070. Votes required for election to office.**

- A. Election to the office of borough mayor is by a majority of the votes cast. If no candidate for the office of borough mayor receives a majority of the votes cast for that office, a runoff election will be held between the 2 candidates receiving the highest number of votes.
- B. The candidate for an assembly or school board seat receiving the greatest number of votes is elected.
- [C. THE CANDIDATE FOR AN ELECTED SERVICE AREA BOARD SEAT RECEIVING THE GREATEST NUMBER OF VOTES CAST FOR THAT SEAT IS ELECTED.]

**SECTION 4.** KPB 4.30.010 is amended as follows:

**4.30.010. Candidate qualifications.**

- A. A candidate for borough mayor must be a qualified voter of the State of Alaska and a resident of the Kenai Peninsula Borough for 180 days immediately preceding filing for office. A person who has served as mayor for two consecutive full terms may not be reelected to that office until 180 days has intervened.
- B. A candidate for borough assembly must be a qualified voter of the State of Alaska and a resident of the district from which the candidate seeks election for at least 180 days immediately preceding filing for office.
- C. A candidate for school board must be a qualified voter of the State of Alaska and a resident of the district from which the candidate seeks election for 180 days immediately preceding filing for office.
- [D. A CANDIDATE FOR A SERVICE AREA BOARD MUST BE A QUALIFIED VOTER OF THE STATE OF ALASKA AND A RESIDENT OF THE SERVICE AREA FOR AT LEAST 180 DAYS IMMEDIATELY PRECEDING FILING FOR OFFICE.]

**SECTION 5.** KPB 4.30.020 is amended as follows:

**4.30.020. - Declaration of candidacy.**

- A. A candidate for municipal office is nominated by executing a declaration of candidacy under oath and filing it with the clerk in accordance with this section.



- B. A declaration of candidacy shall be in a form provided by the clerk and shall state the following:
  1. the full name of the candidate, and the manner in which he wishes his name to appear on the ballot;
  2. the full residence and mailing addresses of the candidate;
  3. the office for which the candidate declares;
  4. that the candidate is qualified for the office as provided by law;
  5. the date and notarized statement of the candidate;
  6. the candidate shall certify information contained in the declaration of candidacy is true and accurate;
  7. any other information that the clerk reasonably requires to determine whether the candidate is qualified for the office as provided by law.
- C. Declarations of candidacy shall be provided by the clerk.
- D. Filing for elective offices of mayor, assembly, and school board [AND SERVICE AREA BOARDS] shall be made by filing a declaration of candidacy with the borough clerk from August 1st through August 15th, 4:30 p.m. Should August 15 be a Saturday or Sunday, then candidates shall have until noon on the first Monday following to file their declaration.

...

**SECTION 6.** KPB 4.30.030(A) is amended as follows:

**4.30.030. Public official financial disclosure statements.**

- A. Candidates for elective borough office and declared write-in candidates shall file a public official financial disclosure statement with the borough clerk as required by the provisions of AS 39.50 at the time of filing a declaration of candidacy. The name of the candidate shall be placed on the ballot by the borough clerk only after the candidate has complied with this requirement. [THIS SUBSECTION DOES NOT APPLY TO CANDIDATES FOR SERVICE AREA BOARDS.]

...

**SECTION 7.** KPB 16.04.060 and 16.04.065 are amended as follows:

**16.04.060. Election to establish governmental powers required when.**

If the borough assembly shall by ordinance establish a service area requiring voter approval under AS 29.35.450 or AS 29.35.490, the proposition whether or not to exercise the particular governmental power for which the service area has been established shall be placed on the ballot at the next general or a special election of the borough; except, however, an area that has once been considered and rejected by the eligible voters at either a special or general election shall thereafter be placed before the voters only at a subsequent general election. [IF THE ORDINANCE ESTABLISHING THE SERVICE AREA HAS PROVIDED FOR ELECTED BOARDS TO SUPERVISE THE FURNISHING OF SPECIAL SERVICES IN THE SERVICE AREA, THEN THE CANDIDATES FOR ELECTION TO SUCH BOARD SHALL BE PLACED ON THE BALLOT AT THE SAME ELECTION FOR ELECTION BY THE QUALIFIED VOTERS RESIDING WITHIN THE SERVICE AREA.]

**16.04.065. [ELECTION] Appointment of board members.**

Vacancies for service area boards [REQUIRING ELECTED BOARDS] shall be filled by [THE CANDIDATE RECEIVING THE HIGHEST NUMBER OF THE VOTES CAST FOR THAT SEAT. IN THE EVENT THAT NO CANDIDATE FILES FOR ELECTION TO A SEAT WHICH IS TO BE FILLED AT SAID ELECTION, THEN NO ELECTION SHALL BE CONDUCTED FOR THAT PARTICULAR SEAT, AND THE SEAT SHALL BE FILLED BY APPOINTMENT BY THE MAYOR AND CONFIRMED BY THE ASSEMBLY FOLLOWING CERTIFICATION OF THE ELECTION AND IN ACCORDANCE WITH APPLICABLE PROVISIONS OF TITLE 16 GOVERNING FILLING VACANCIES] applicants appointed by the mayor and confirmed by the assembly.

**SECTION 8.** KPB 16.04.080(A) is amended as follows:

**16.04.080. Administrative employees—Appointment, qualifications, and removal.**

- A. *Service area directors.* Except as may otherwise be provided for a specific service area, the director of a service area, whether a paid employee or volunteer shall be appointed by the mayor from a list of recommended names from the service area board. [EXCEPT FOR THE ROAD SERVICE AREA DIRECTOR, WHOSE BOARD CONSISTS OF APPOINTED MEMBERS, AND AS OTHERWISE PROVIDED BELOW, ALL OTHER SERVICE AREA DIRECTORS MAY BE REMOVED BY THE MAYOR WITH A CONCURRENT RECOMMENDATION FROM THE APPLICABLE BOARD. SUCH ACTION BY THE SERVICE AREA BOARD SHALL REQUIRE A MAJORITY VOTE OF THE BOARD MEMBERSHIP. IN THE EVENT THAT THE SERVICE AREA BOARD AND THE MAYOR ARE UNABLE TO AGREE WITHIN 30 DAYS OF THE DATE THE ACTION IS RECOMMENDED, THEN THE MAYOR AND THE SERVICE AREA

BOARD SHALL COMMUNICATE TO ATTEMPT TO RESOLVE THE IMPASSE. SUCH COMMUNICATION SHALL OCCUR NO MORE THAN 60 DAYS AFTER THE DATE OF THE INITIAL RECOMMENDATION FOR REMOVAL. FOLLOWING SUCH COMMUNICATION, THE MAYOR SHALL HAVE THE FINAL AUTHORITY TO DETERMINE WHETHER OR NOT TO REMOVE THE DIRECTOR.] Service area directors shall serve at the pleasure of the mayor. The service area board may independently make a recommendation to the mayor regarding the suspension or discharge of the service area director, however such suspension or discharge remains within the sole authority of the mayor.

...

**SECTION 9.** KPB 16.12.020, 16.12.040, 16.12.050 and 16.12.060 are amended as follows:

**16.12.020. Board—Established— [ELECTION] Appointment.**

There is established a board of directors for the Nikiski Fire Service Area composed of seven (7) members who shall be [ELECTED BY THE QUALIFIED VOTERS OF THE SERVICE AREA AS DESIGNATED IN THE BOROUGH ELECTIONS CODE] appointed by the borough mayor and confirmed by the borough assembly].

**16.12.040. - Board—Election of chair and officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the board members and from the board members a chair and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.12.050. Board—Qualifications and terms of office.**

Members of the board of directors shall be qualified voters of the borough who are residents of the service area. [CANDIDATES] Board of director members shall [FILE FOR ELECTION] be appointed to Seats A through G for staggered terms of three years and may serve thereafter until a successor has been [ELECTED OR] appointed, qualified and sworn to assume the duties of office[, EXCEPT THAT THE FIRST ELECTED BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESSER PERIODS AS DESIGNATED IN THE DOCUMENTS SETTING UP THE ELECTION TO PROVIDE FOR STAGGERED TERMS]. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter.

**16.12.060. Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board:

- A. If no [CANDIDATE] applicant files for [ELECTION] appointment to a seat which is to be filled [AT SAID ELECTION], or if a successful [CANDIDATE] applicant fails to qualify or take office within 30 days after his/her [ELECTION OR] appointment;

...

**SECTION 10.** KPB 16.16.020, 16.16.040, 16.16.050 and 16.16.060 are amended as follows:

**16.16.020. Board—Established—[NOMINATION AND ELECTION OF] Appointment of members.**

There is established a board of directors for the North Peninsula Recreation Service Area composed of [5] five members who shall be [NOMINATED AND ELECTED BY THE QUALIFIED VOTERS OF THE SERVICE AREA AS PROVIDED IN SECTIONS 4.08.020 (D) AND 16.04.065 OF THIS CODE.] appointed by the borough mayor and confirmed by the borough assembly Board members shall be appointed based on their familiarity with the functions of the service area and financial and budgetary management capabilities.

**16.16.040. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the board members and from the board members a chair[MAN], and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.16.050. Board—Term of office.**

A member of the board of directors shall be [ELECTED] appointed for a term of three years and may serve thereafter until a successor has been [ELECTED OR] appointed, qualified and sworn to assume the duties of the office [, EXCEPT THAT THE FIRST BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESSER PERIODS AS DESIGNATED IN THE DOCUMENTS SETTING UP THE ELECTION TO PROVIDE FOR STAGGERED TERMS]. Applicants shall file for appointment to Seats A through E for staggered terms of three years. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter

**16.16.060. - Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBER]:

- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant fails to qualify or take office within 30 days after his or her

appointment; [FAILS TO QUALIFY OR TAKE OFFICE WITHIN 30 DAYS AFTER HIS ELECTION OR APPOINTMENT;]

- B. If a member [I]is physically absent from the service area for a 90-day period, unless excused by the board;
- C. If a member [R]resigns and his resignation is accepted;
- D. If a member [I]is physically or mentally unable to perform the duties of his office;
- E. If a member [I]is removed from office;
- F. If a member [M]misses [3] three consecutive regular meetings unless excused;
- G. If a member [I]is convicted of a felony or of an offense involving a violation of his oath of office.

**SECTION 11.** KPB 16.20.070 is amended as follows:

**16.20.070. - Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBER]:

- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant [F]fails to qualify or take office within 30 days after his or her [ELECTION OR] appointment;
- B. If a member [I]is physically absent from the service area for a 90-day period, unless excused by the board;
- C. If a member [R]resigns and his resignation is accepted;
- D. If a member [I]is physically or mentally unable to perform the duties of his office;
- E. If a member [I]is removed from office;
- F. If a member [M]misses [3] three consecutive regular meetings unless excused;
- G. If a member [I]is convicted of a felony or of an offense involving a violation of his oath of office.

**SECTION 12.** KPB 16.24.020, 16.24.040, 16.24.050 and 16.24.060(A) are amended as follows:

**16.24.020. Board—Established—Appointment [NOMINATION AND ELECTION].**

There is established a board of directors for the South Kenai Peninsula hospital service area composed of [9] nine members who shall be appointed by the borough mayor and confirmed by the borough assembly. [NOMINATED AND ELECTED BY THE QUALIFIED VOTERS OF THE SERVICE AREA AS PROVIDED IN SECTIONS 4.08.020(D) AND 16.04.065 OF THIS CODE.]

**16.24.040. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the members and from the members a chair[MAN] who shall hold office until a successor is elected.

**16.24.050. Board—Qualifications and terms of office.**

Members shall be qualified voters of the borough who are residents of the service area. Each member of the board of directors shall be [ELECTED] appointed for a term of three years and may serve thereafter until a successor has been [ELECTED OR] appointed, qualified and sworn to assume the duties of office, except that the first board shall contain members elected to Seats G, H, and I for initial terms of 1 year and to Seats D, E, and F for initial terms of 2 years in order to provide for staggered terms. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter.

**16.24.060. Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board:

- A. If no [CANDIDATE] applicant files for [ELECTION] appointment to a seat which is to be filled [AT SAID ELECTION] or if a successful [CANDIDATE] applicant fails to qualify or take office within 30 days after his [ELECTION OR] appointment;

...

**SECTION 13.** KPB 16.28.020, 16.28.040, 16.28.050 and 16.28.060 are amended as follows:

**16.28.020. Board—Established—Appointment [NOMINATION AND ELECTION] of members.**

There is established a board of directors for the Bear Creek Fire Service Area composed of [5] five members who shall be residents of the service area and [ELECTED BY THE QUALIFIED VOTERS OF THE SERVICE AREA] appointed by the borough mayor and confirmed by the borough assembly as provided in Sections 4.20.010(C) and 16.04.065 of this code. Up to one board member may also serve as a volunteer firefighter and/or emergency medical service provider for the service area without compensation except that which is ordinarily provided to such volunteers.

**16.28.040. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the board members and from the board members a chair[MAN] and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.28.050. Board—Terms of office.**

A member of the board of directors shall be appointed [ELECTED] for a term of [3] three years and shall serve thereafter until a successor has been [ELECTED OR] appointed, qualified, and sworn to assume the duties of the office[, EXCEPT THAT THE FIRST BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESSER PERIODS AS DESIGNATED IN THE DOCUMENTS SETTING UP THE ELECTION TO PROVIDE FOR STAGGERED TERMS]. Applicants shall file for appointment to Seats A through E for staggered terms of three years. Board members shall be appointed based on their familiarity with the functions of the service area and financial and budgetary management capabilities. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter.

**16.28.060. - Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBER]:

- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant [F]fails to qualify or take office within 30 days after his or her [ELECTION OR] appointment;
- B. If a member [I]is physically absent from the service area for a 90 day period, unless excused by the board;
- C. If a member [R]resigns and his resignation is accepted;
- D. If a member [I]is physically or mentally unable to perform the duties of his office;

- E. If a member [I]is removed from office;
- F. If a member [M]misses [3] three consecutive regular meetings unless excused;  
or
- G. If a member [I]is convicted of a felony or of an offense involving a violation of his oath of office.

**SECTION 14.** KPB 16.30.030, 16.30.050, 16.30.060 and 16.30.070 are amended as follows:

**16.30.030. Joint operations board.**

There is established a joint operations board of directors for oversight of the joint operations of the Central Emergency Service Area with the Central Peninsula Emergency Medical Service Area, to be composed of five members who shall be [NOMINATED AND ELECTED BY THE QUALIFIED VOTERS RESIDING WITHIN THE TWO SERVICE AREAS AS PROVIDED IN SECS. 4.10.020(C) AND 16.04.065 OF THIS CODE] appointed by the borough mayor and confirmed by the borough assembly.

**16.30.050. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the Assembly, and annually thereafter, the board shall elect by majority vote of the board members and from the board members a chair[MAN] and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.30.060. Board—Terms of office.**

A member of the board of directors shall be [ELECTED] appointed for a term of three years and may serve thereafter until a successor has been [ELECTED OR] appointed, qualified and sworn to assume the duties of the office [, EXCEPT THAT THE FIRST BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESSER PERIODS AS DESIGNATED IN THE DOCUMENTS SETTING UP THE ELECTION TO PROVIDE FOR STAGGERED TERMS]. Applicants shall file for appointment to Seats A through E for staggered terms of three years. Board members shall be appointed based on their familiarity with the functions of the service area and financial and budgetary management capabilities. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter.

**16.30.070. Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBERS]:



- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant [F] fails to qualify or take office within 30 days after his or her [ELECTION OR] appointment;
- B. If a member [I] is physically absent from the service area for a 90-day period, unless excused by the board;
- C. If a member [C] changes his or her residency for a period longer than 60 days to a location outside of the jurisdiction from which the board is [ELECTED] appointed;
- D. If a member [R] resigns and his or her resignation is accepted;
- E. If a member [I] is physically or mentally unable to perform the duties of his or her office;
- F. If a member [M] misses three consecutive regular meetings unless excused; or
- G. If a member [I] is convicted of a felony or of an offense involving a violation of his or her oath of office.

**SECTION 15.** KPB 16.40.030 is amended as follows:

**16.40.030. - Joint operations board.**

There is established a joint operations board of directors for oversight of the joint operations of the Central Emergency Service Area with the Central Peninsula Emergency Medical Service, to be composed of five members who shall be [NOMINATED AND ELECTED BY THE QUALIFIED VOTERS OF THE TWO SERVICE AREAS AS PROVIDED IN SECS. 4.10.020(C) AND 16.04.065 OF THIS CODE] appointed by the borough mayor and confirmed by the borough assembly. All procedures and authorities of the joint operations board are set out through the express terms and conditions of KPB Chapter 16.30.

**SECTION 16.** KPB 16.50.030, 16.50.050, 16.50.060 and 16.50.070 are amended as follows:

**16.50.030. Board of directors.**

There is established a board of directors for oversight of the operations of the Seward-Bear Creek Flood Service Area composed of seven members who shall be [ELECTED BY THE QUALIFIED VOTERS OF THE SERVICE AREA IN THE MANNER PROVIDED IN THE BOROUGH ELECTION CODE AND KPB 16.04.065 AS NOW ENACTED OR MAY BE HEREINAFTER AMENDED] appointed by the borough mayor and confirmed by the borough assembly. Board seats to be filled at the first election of board members shall be staggered as follows: Seats A and D for one year; seats B and E for two years; and seats C, F, and G for three years.

**16.50.050. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the board members, and from the board members, a chair[MAN] and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.50.060. Board—Terms of office.**

Each member of the board of directors shall be [ELECTED] appointed for a term of three years and may serve thereafter until a successor has been [ELECTED OR] appointed, qualified and sworn to assume the duties of the office [, EXCEPT THAT THE FIRST BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESSER PERIODS AS DESIGNATED IN THE DOCUMENTS SETTING UP THE ELECTION TO PROVIDE FOR STAGGERED TERMS AND AS PROVIDED IN KP.B 16.50.030]. Applicants shall file for appointment to Seats A through G for staggered terms of three years. Board members shall be appointed based on their familiarity with the functions of the service area and financial and budgetary management capabilities. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter

**16.50.070. Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBER]:

- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant [F] fails to qualify or take office within 30 days after his or her [ELECTION OR] appointment;
- B. If a member [I] is physically absent from the service area for a 90-day period, unless excused by the board;
- C. If a member [C] changes his or her residency for a period longer than 60 days to a location outside of the jurisdiction from which the board is [ELECTED] appointed;
- D. If a member [R] resigns and his or her resignation is accepted;
- E. If a member [I] is physically or mentally unable to perform the duties of his or her office;
- F. If a member [M] misses three consecutive regular meetings unless excused; or

- G. If a member [I]is convicted of a felony or of an offense involving a violation of his or her oath of office.
- H. If a member [I]is removed from office pursuant to a recall election.

**SECTION 17.** KPB 16.55.070 is amended as follows:

**16.55.070. - Board—Vacancies—Created when.**

Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board [IF A MEMBER]:

- A. If no applicant files for appointment to a seat which is to be filled or if a successful applicant [F]fails to qualify or take office within 30 days after his or her [ELECTION OR] appointment;
- B. If a member [I]is physically absent from the service area for a 90-day period, unless excused by the board;
- C. If a member [C]changes his or her residency for a period longer than 60 days to a location outside of the jurisdiction from which the board is [ELECTED] appointed;
- D. If a member [R]resigns and his or her resignation is accepted;
- E. If a member [I]is physically or mentally unable to perform the duties of his or her office;
- F. If a member [M]misses three consecutive regular meetings unless excused; or
- G. If a member [I]is convicted of a felony or of an offense involving a violation of his or her oath of office.
- H. If a member [I]is removed from office pursuant to a recall election.

**SECTION 18.** The following sections in KPB Chapter 16.70 Nikiski Senior Service Area are amended as follows:

**16.70.030. Board—Established—Membership.**

There is established a board of directors for the Nikiski Senior Service Area composed of five members who are [ELECTED BY THE VOTERS IN THE SERVICE AREA IN THE MANNER SET OUT IN THE BOROUGH ELECTIONS CODE] appointed by the borough mayor and confirmed by the borough assembly. Board members shall be qualified voters of the borough and residents of the Nikiski Senior Service Area.

**16.70.050. Board—Election of officers.**

At the first regular meeting following certification of the regular borough election by the assembly, and annually thereafter, the board shall elect by majority vote of the board members a chair and such other officers as the board shall determine to be desirable who shall hold office until successors are elected.

**16.70.060. Board—Term of office.**

Board of directors members shall be [ELECTED]appointed for a term of three years and may serve thereafter until a successor has been [ELECTED] appointed, qualified and sworn to assume the duties of office[; EXCEPT THAT THE FIRST BOARD SHALL CONTAIN MEMBERS ELECTED FOR LESS PERIODS TO PROVIDE FOR STAGGERED TERMS. CANDIDATES] Applicants shall file for [ELECTION] appointment to Seats A through E for staggered terms of three years. Board members shall be appointed based on their familiarity with the functions of the service area and financial and budgetary management capabilities. Nothing in this section shall be construed to prohibit a member of the board from resigning or their seat from being vacated as provided in this chapter.

**16.70.070. Board—Vacancies created when—Filling vacancies.**

- A. Vacancies on the board are created under the following conditions and upon declaration of vacancy by the board:
1. If no [CANDIDATE] applicant files for [ELECTION] appointment to a seat which is to be filled [AT SAID ELECTION]; or if a successful [CANDIDATE] applicant fails to qualify or take office within 30 days after his/her [ELECTION OR] appointment;
  2. If a member is physically absent from the service area for a 90-day period, unless excused by the board;
  3. If a member changes his or her residency for a period longer than 60 days to a location outside the service area;
  4. If a member resigns, and his/her resignation is accepted;
  5. If a member is physically or mentally unable to perform the duties of office;
  6. If a member misses three consecutive regular meetings unless excused; or
  7. If a member is convicted of a felony or of an offense involving a violation of his or her oath of office.

...

**SECTION 19.** That this ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, Borough Clerk

10/08/19 Vote on motion to postpone as amended to 11/05/19:

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

No: None

Absent: None

Yes:

No:

Absent:

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Johni Blankenship, Borough Clerk (JB)

**FROM:** Willy Dunne, Assembly Member (WD)  
Brent Hibbert, Assembly Member (BH)

**DATE:** August 22, 2019

**RE:** Ordinance 2019-23, Amending KPB Titles 2, 4, and 16 regarding Service Areas to Provide that All Kenai Peninsula Borough Service Area Boards are Appointed Instead of Elected (Dunne, Hibbert)

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The Kenai Peninsula Borough (borough) currently has 12 service area boards. Seven of the boards are elected positions and five of the boards are appointed positions. The borough is one of the few boroughs, if not the only, in the State of Alaska with elected service area boards. Historically, it has been difficult to find qualified candidates willing to run in an election to fill all the service area board seats.

In 2017, three service area boards successfully transitioned from elected boards to appointed boards. In 2019, the borough assembly established the Election Stakeholder Group (ESG) through the direction and adoption of Resolution 2019-006, which included community members and members from many local governments in the borough. The ESG researched ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity. After holding many public meetings throughout 2019, the ESG issued a final report with six specific recommendations regarding potential changes to borough code and election processes which are intended to achieve guiding principles initially adopted by the ESG.

The ESG's recommendation #5 is that the borough provides for appointed rather than elected service area boards. Appointed boards have proven to increase public interest in service on a board as potential board members would not have to run or otherwise comply with the election process requirements.

Changing from elected service area boards to appointed boards will significantly reduce the time and expense involved in borough elections. The clerk's office has indicated that thousands of dollars would be saved by eliminating these seats from the election process as this would reduce printing costs and time required of election officials and the clerk's office in reviewing and verifying election ballots. The appointment process will remain a public process in which the mayor will appoint interested applicants and the assembly would confirm the appointment to service area boards. Appointed boards have functioned well for the other five service areas in the borough and throughout other service areas in the state.



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Committee Members: Donna Aderhold, Brenda Ahlberg, Teri Birchfield, Cassidi Cameron, John Coleberg, Tyson Cox, Sammy Crawford, Linda Cusack, Willy Dunne, Joyanna Geisler, Brent Hibbert, Sue McClure, Scott Meszaros, Paul Ostrander, Robert Peterkin, and Stephanie Queen

Alternate Members: Brian Gabriel, Vivian Rojas, and Kaitlin Vadla

Subject Matter Experts: Brenda Ballou, Johni Blankenship, Heidi Geagel, Erica Fitzpatrick, Ben Hanson, Jamie Heinz, Melissa Jacobsen, Sean Kelley, Bobbi Lay, Holly Montague, and Shellie Saner

Support Staff: Michele Turner

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## PURPOSE

*The Election Stakeholders Group was established to research ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity while conserving public resources.*

*Voting is the foundation of our democracy. Active participation in the electoral process is necessary for high functioning governance.*

The Election Stakeholders Group (ESG) was established on January 8, 2019 by KPB Resolution 2019-006 and tasked with researching ways to increase voter participation by developing sustainable election processes that maximize accessibility and inclusivity while conserving public resources. In addition, the ESG was directed to explore all aspects of administering borough and city elections including the traditional polling site model and the vote by mail hybrid model.

The ESG was encouraged to keep in mind the directives of the conciliation agreement between the borough and the Human Rights Commission. Specifically, Section C which states, "Respondent Kenai Peninsula Borough (KPB) will establish and direct the stakeholder group to explore options for providing assistive technology to visually impaired voters, including the option of distributing ballots to all voters by mail and establishing voting centers with accessible voting equipment open two weeks prior to each election. Respondent will direct the stakeholder group to advance options for its consideration that will allow visually impaired voters to vote privately and independently."

The KPB is at a critical impasse regarding the administration of elections for two reasons:

1. The Human Rights Commission has declared our current accommodations and equipment for voters with disabilities, specifically those that may be visually impaired, as significantly discriminatory;
2. The hardware that is currently being used by the KPB is owned by the State of Alaska and is at its end of life. Further, that equipment does not comply with Americans with Disabilities Act (ADA) requirements and therefore is not an option for the KPB moving forward.

The ESG was comprised of assembly members, city council members, city managers, borough mayor's office and community members interested in the electoral process. The group was staffed by the Borough Clerk's Office and assisted by subject matter experts from within the borough and cities within the borough.

The first ESG meeting was held on February 15, 2019 and subsequent meetings were held every two weeks after that for a total of 12 meetings. The meetings were advertised in accordance with the Open Meetings Act and the public was encouraged to attend; however, there was no public participation aside from 2 emails. A small subcommittee of the group did participate in a local radio show and had an opportunity to respond to questions for the listening audience.

In conducting its work and arriving at recommendations, the ESG adopted the following guiding principles:

## GUIDING PRINCIPLES

### 1.) Maximize Accessibility and Inclusivity

Provide disability-related accommodations and other facilitative measures to enable residents experiencing a disability their equal right to vote privately and independently.

Promote participation in the electoral process for all borough voters.

### 2.) Efficiency and Conservation of Public Resources

Use public resources efficiently and conservatively by evaluating election-related factors such as cost per vote cast, cost per election, cost sharing with cities within the borough, appointed vs. elected advisory boards, and indirect costs.

### 3.) Voter Satisfaction and Confidence

Increase voter satisfaction and confidence in borough elections by maintaining voter privacy, providing options for ballot tracking and voter flexibility, and collaborating with the Alaska Division of Elections to maintain accurate voter rolls.

### 4.) Longevity in the Solution

Maximize the longevity of the election solution and the borough's ability to adapt to advances in technology, changes in the election workforce, engaging new voters, voter preferences, and conditions in regulatory frameworks.

## 5.) Coordination and Collaboration

Promote collaboration with all election stakeholders, including the public, Alaska Division of Elections, cities within the borough, candidates, media, local community groups, and voting organizations.

## 6.) Security and Integrity

Ensure security of the voting system, including hardware, software, accountability procedures, and the voter registration database.

Maintain integrity in the system by adopting internal controls such as signature verification, requiring acceptable identifiers, providing extensive election worker training, and giving voters the ability to cure errors to ensure all valid votes are counted.

## 7.) Voter Outreach

Encourage higher voter turnout by implementing a voter communication and education campaign that promotes the value of civic engagement.

Develop educational materials which explain the new processes to the public, utilizing multiple resources and methods of outreach and communication, to ensure there is a clear public understanding of and support for the new solution.

## 8.) Continuity of Operations / Contingency Disaster Plan

Adopt a contingency and communication disaster plan to ensure a coordinated and strategic response to any disruptive event and provide for continuity of election operations.

The ESG received presentations from the Borough and City Clerks, representatives from the State of Alaska Division of Elections, the Municipality of Anchorage, the United States Post Office (USPS), and the KPB's current ballot printer and by mail service provider. The ESG received demonstrations from two software/hardware providers. Their presentations were for both polling place and vote by mail structures. Both vendors had ADA compliant equipment for both scenarios. Finally, a subcommittee of the group participated in a field trip to Anchorage to see its "Vote by Mail Election Central" in action.

The ESG spent many hours discussing voter engagement, cost, collaboration and efficiencies. Based on the knowledge gained and through presentations and questions the ESG makes the following recommendations:

## RECOMMENDATIONS

### Recommendation #1 – Vote by Mail Hybrid:

Recommendation #1 is consistent with and reinforced by all of the guiding principles adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly transition the election process from the current polling site structure to a vote by mail hybrid structure (VBMS). The VBMS is a proven methodology that the KPB has been using for over 20 years in six (Cooper Landing, Hope, Fox River, Moose Pass, Seldovia/Kachemak Bay and Tyonek) of its 28 precincts. The group reviewed the current and VBMS structures and ranked the pros and cons. The pros of the VBMS far outweighed the pros of the existing structure and aligned with the group's adopted guiding principles.

The VBMS has proven to be a more efficient and effective process for the administration of elections. In this process every registered voter will be mailed a ballot package 2-3 weeks prior to election day, giving more voters an opportunity to exercise their right to vote at a time and place that meets their schedule and convenience.

Accessible Vote Centers (AVC) will be established 2 weeks prior to election day in at least 5 locations throughout the borough. AVCs can be utilized to drop off voted ballots or to satisfy the desire to vote in person. The vote centers will be equipped with ADA compliant hardware, allowing all voters to vote privately and independently. The VBMS allows for all voters to vote in the way that suits them best.

Ballot drop boxes will need to be purchased as part of the structure and distributed throughout the borough. Voters can choose to drop their voted ballots in a drop box, at an AVC or in the mail by using the prepaid postage.

The VBMS is a long term solution for the borough and the cities within the borough as it is not subject to the changing technology of the current structure. It uses off-the-shelf scanners to count the ballots and printers for on-demand ballot printing which allows for greater accessibility, upgrades and cost effective repairs.

The VBMS has been demonstrated by the Municipality of Anchorage to engage all voter demographics and therefore translates into higher voter participation and higher voter satisfaction.

The initial capital cost of the VBMS hardware and software is less than that of the traditional structure. There will be other costs to consider; for example, ballot drop

boxes and an initial voter outreach and education campaign. The costs could be shared by the cities within the borough.

The VBMS will add to voter security and confidentiality as well as offer voters an opportunity to cure any issues that may occur with their voted ballots (e.g. no signature provided, no identifier provided, other). The group recommends the implementation of signature verification software and a signature review board. It further recommends to require at least one identifier be provided by the voter (an identifier would include voter registration number, driver's license number, or social security number). The borough should work toward a technical solution which will allow voters to track their voted ballot ensuring its receipt and review.

The VBMS further allows for the review board to adjudicate each ballot to ensure voter intent is correctly determined based on standardized methods and training.

In summary, the ESG supports and recommends the VBM structure for the administration of elections in the KPB.

The ESG received proposals from Dominion Voting software and ADA compatible hardware for both the traditional polling site structure and the vote by mail structure. The vote by mail proposal was \$213,106.60 less than the traditional polling site proposal. The vote by mail structure would require the purchase of ballot drop boxes which, according to the Municipality of Anchorage, cost around \$3,300 apiece to fabricate. The Municipality of Anchorage has 16 drop boxes distributed throughout its jurisdiction. The Municipality of Anchorage also does not prepay the postage for the return of voted ballots. The ESG recommends that the KPB deploy drop boxes as needed on the road system and encourages voters in more remote areas to use USPS. Based on information provided by the Municipality of Anchorage, the ESG is encouraged that the VBMS will increase voter turnout and that the administrative costs will decrease over time.

### Recommendation #2 – Education and Outreach Campaign

Recommendation #2 is consistent with and reinforced by guiding principles, 1.) Maximize Accessibility and Inclusivity; 3.) Voter Satisfaction and Confidence; 4.) Longevity in the Solution; 5.) Coordination and Collaboration and 7.) Voter Outreach, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly appropriate funds for an extensive education and outreach campaign. The voter turnout in the KPB and the cities within it has been historically low. The turnout tends to trend higher or lower depending on what is on the ballot.

One of the focuses of the outreach campaign would be specifically to encourage voter participation no matter what is on the ballot through a

communication plan which promotes civic engagement and targeted marketing regarding the importance of the election process.

Another primary focus would be to educate the voters on the new VBMS.

The group recommends the use of social media, print media, and broadcast media, as well as outreach through the participation of existing community groups (chambers of commerce, rotary, etc.).

The group further recommends the KPB consider contracting with an outside resource to develop and implement a plan specifically regarding the education and notification of the voters of the new vote by mail hybrid structure.

### Recommendation #3 – Alaska State Statute Title 29 Amendment

Recommendation #3 is consistent with and reinforced by guiding principles, 1.) Maximize Accessibility and Inclusivity; 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly adopt a resolution requesting the Alaska State Legislature introduce and support a bill allowing for ranked choice voting. The bill would amend AS 29.26.060(c) to read as follows:

*Sec. 29.26.060. Runoff elections.*

*(a) Unless otherwise provided by ordinance, a runoff election shall be held if no candidate receives over 40 percent of the votes cast for the office of*

*(1) mayor; or*

*(2) member of the governing body or school board if candidates run for a designated seat.*

*(b) Unless otherwise provided by ordinance, if candidates for the governing body or school board run at large, a runoff election for a seat shall be held if no candidate receives a number of votes greater than 40 percent of the total votes cast for all candidates divided by the number of seats to be filled.*

*(c) Unless otherwise provided by ordinance, a runoff election shall be held within three weeks after the date of certification of the election for which a runoff is required, and notice of the runoff election shall be published at least five days before the election date. Unless otherwise provided by ordinance t[T]he runoff election shall be*

*between the two candidates receiving the greatest number of votes for the seat.*

This amendment would allow municipalities the flexibility to conduct runoff elections according to local preference.

The ESG recommends the KPB Assembly further research and explore the solution of Ranked Choice Voting for the election of the Borough Mayor rather than continuing to conduct separate runoff elections which are costly and typically receive lower voter turnout than the regular election. Ranked Choice Voting would allow for an immediate runoff to select the prevailing candidate.

#### **Recommendation #4 – Voter Pamphlet**

Recommendation #4 is consistent with and reinforced by guiding principles, 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholder Group recommends including information in each ballot package which directs the voter to a website with voter information, candidate profiles and proposition summaries. The information provided would also specify locations at which hard copies of the voter pamphlet could be obtained. In addition, hard copies of the voter pamphlet could be mailed directly to a voter upon request.

Paper copies of the voter pamphlet should include candidate profiles, proposition summaries and additional voter information and be made available at each of the AVCs. AVC employees would be educated and prepared to assist voters in the navigation of the election website.

#### **Recommendation #5 – Appointed Service Area Boards**

Recommendation #5 is consistent with and reinforced by guiding principle, 2.) Efficiency and Conservation of Public Resources, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends amending KPB Titles 2, 4 and 16 – Service Areas to provide that all KPB service area boards are appointed instead of elected (draft ordinance attached for consideration).

It is rare for a service area board race to be contested at an election. In addition, there have been many years when no candidate files for the seat at all and ultimately the seat is filled by appointment after the election is certified.

## Recommendation #6 – Statements Advocating for Approval or Rejection of Propositions

Recommendation #6 is consistent with and reinforced by guiding principles, 2.) Efficiency and Conservation of Public Resources and 3.) Voter Satisfaction and Confidence, adopted by the Election Stakeholders Group.

The Election Stakeholders Group recommends the Assembly amend KPB 4.10.110 by deleting Section B which provides for the inclusion of statements advocating voter approval or rejection of propositions in the voter pamphlet. Recommendation #4 suggests streamlining the voter pamphlet to reduce waste and cost. Amending this section of code would further support that reduction. Additionally, the current inclusion of the statements may be contributing to voter confusion.

The information provided and disseminated by the borough should be that of a factual nature. Public funds should not be used to further the message of an outside group, and the official voter information pamphlet is an inappropriate place to allow members of the public to advocate for or against a proposition. In today's technical environment there are multiple ways to effectively and efficiently spread a message without cost to the tax payers of the borough.

Additionally, the administration of this code provision has proven to be difficult and identifying possible authors of statements has proven to be problematic. Historically, statements have been submitted for inclusion in the voter pamphlet and those statements are not vetted or verified by the borough and therefore may include misleading information.

This provision of code was enacted in 2007 and has only been utilized a handful of times and typically only when there is a voter initiative or referendum proposition on the ballot.

### Additional Recommendations

The ESG recommends the KPB seek support from and partners with the cities within the borough to conduct all local elections by mail. Further, we recommend cost sharing with the cities within the borough for election equipment, an extensive and comprehensive communication/education plan and administration of all future elections. The ESG promotes the collaboration between the KPB and the cities within the KPB to develop legislation and administrative practices for the administration of local elections.



Introduced by: Mayor  
Date: 10/08/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-26**

**AN ORDINANCE AMENDING KPB 2.60.027 TO MODIFY THE DESIGNATION OF  
DEMARICATION POINTS FOR DELIVERY OF 911 CALLS BY CARRIERS**

**WHEREAS,** Ordinance 2008-21 previously designated two geographically separate demarcation points for telephone carriers to terminate their inbound Enhanced 911 circuits; and

**WHEREAS,** the demarcation points host telecommunications equipment, routers, and other hardware to effectively distribute emergency calls throughout the Kenai Peninsula Borough; and

**WHEREAS,** the current demarcation within the City of Kenai does not have a full air-conditioning system, environmental monitoring, or 24/7 on-site staffing; and

**WHEREAS,** the City of Kenai has established a facility with modern equipment and telecommunications options that will provide a superior environment for the networking equipment and has offered a portion of that space to the Kenai Peninsula Borough;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That KPB 2.60.027 is hereby amended to read as follows:

**2.60.027. Designation of selective router demarcation points.**

The Borough hereby designates 253 Wilson Lane in Soldotna and [450 MARATHON ROAD] 107 South Willow Street in Kenai as the two 911 PSAP Selective Router Demarcation Points solely for the purposes of 911 call delivery by telecommunications carriers.

**SECTION 2.** This ordinance shall become effective immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough  
Office of the Emergency Management

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*  
Roy Browning, Chief of Emergency Services *Roy Browning*

**FROM:** Dan Nelson, Senior Manager Office of Emergency Management  
Lisa Kosto, 911 Senior Manager *LK*

**DATE:** September 26, 2019

**RE:** Ordinance 2019- 26 Amending KPB 2.60.027 to Modify the Designation of Demarcation Points for Delivery of 911 Calls by Carriers (Mayor)

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Ordinance 2008-21 previously designated two geographically separate demarcation points for telephone carriers to terminate their inbound Enhanced 911 circuits. The demarcation points host telecommunications equipment, routers, and other hardware to effectively distribute emergency calls throughout the Kenai Peninsula Borough. The current demarcation within the City of Kenai does not have a full air-conditioning system, environmental monitoring, or 24/7 on-site staffing. The City of Kenai has established a facility with modern equipment and telecommunications options that will provide a superior environment for the networking equipment and has offered a portion of that space to the Borough. This code change amends KPB 2.60.027 to add the address of the new demarcation point within the City of Kenai and remove the address for the current demarcation point.

Your consideration of this ordinance is appreciated.



Introduced by: Mayor  
Date: 10/08/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-29**

**AN ORDINANCE ESTABLISHING THE APPEAL PROCEDURE BEFORE THE  
BOROUGH ASSEMBLY FOR THE APPEAL FILED BY ECHO TRADING  
COMPANY, LLC OF A PLANNING COMMISSION DECISION**

**WHEREAS**, Echo Trading Company, LLC has filed an appeal of a planning commission decision vacating a utility (drainage) easement; and

**WHEREAS**, after the appeal was filed it was determined that borough code does not contain a specific procedure for appeals of a utility easement vacation decision; and

**WHEREAS**, in order to timely resolve the present appeal, it is necessary that the borough set a one-time procedure for this appeal; and

**WHEREAS**, KPB 21.20.230(B) states that the assembly shall consider vacation petitions approved by the planning commission in accordance with the procedures in KPB Chapter 20.70; and

**WHEREAS**, KPB Chapter 20.70 does not include procedures for the assembly to consider vacation petitions of utility easements approved by the planning commission pursuant to KPB 20.70.080; and

**WHEREAS**, this ordinance will establish that for the appeal filed by Echo Trading Company, LLC the full assembly will sit as the hearing officer for the appeal, with the assembly president serving as presiding officer, and the appeal will follow the same procedures as set forth in KPB Chapter 21.20;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI  
PENINSULA BOROUGH:**

**SECTION 1.** This is an uncodified ordinance.

**SECTION 2.** For purposes of complying with KPB 21.20.230(B) to address the appeal filed by Echo Trading Company, LLC, regarding the planning commission's vacation approval decision in KPB File NO. 2019-048V, the assembly will sit as the hearing officer and follow the appeal procedures set forth in KPB 21.20.210 through KPB 21.20.360.

**SECTION 3.** The assembly president will act as the presiding officer.

**SECTION 4.** For purposes of this appeal, the current landowner of the parcel encumbered by the easement and the appellant, Echo Trading Company, LLC, will both be considered a “party of record.”

**SECTION 5.** That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \*  
DAY OF \*, 2019.**

---

Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

Kenai Peninsula Borough  
Planning Department

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Borough Mayor *CP*

**FROM:** Max Best, Planning Director *MB*  
Sean Kelley, Deputy Borough Attorney *SK by MB*

**DATE:** September 26, 2019

**RE:** Ordinance 2019- 29, Establishing the Appeal Procedure before the Borough Assembly for the Appeal Filed by Echo Trading Company, LLC of a Planning Commission Decision (Mayor)

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KPB 21.20.230(B) states that the assembly shall consider vacation petitions approved by the planning commission in accordance with the procedures in KPB Chapter 20.70. Echo Trading Company, LLC has filed an appeal of a planning commission decision vacating a utility (drainage) easement. The appeal documents cite KPB 21.20.230(B) to require that the matter be heard by the full assembly. After the appeal was filed it was determined that borough code does not contain a specific procedure for appeals of a utility easement vacation decision. In order to resolve the present appeal in a timely manner it is recommended that the assembly enact this one-time procedure for this appeal.

This ordinance will establish that for the appeal filed by Echo Trading Company, LLC the full assembly will sit as the hearing officer for the appeal, with the assembly president serving as presiding officer, and the appeal will follow the same procedures as set forth in KPB 21.20.

Following resolution of this appeal it is anticipated that a code change ordinance will be presented to the assembly for consideration that will enact a code procedure for appeals of a planning commission decision approving an application to vacate a utility easement. Developing that procedure is expected to require more time than is appropriate for this pending appeal. Therefore, this ordinance is needed to set a one-time, uncodified, procedure for purposes of resolving the appeal filed by Echo Trading Company, LLC.

Your consideration of this ordinance is appreciated.

**MEMORANDUM**

**TO:** Borough Assembly

**FROM:** Bob Molloy • Kristine Schmidt, Molloy Schmidt LLC  
Attorneys for Echo Trading Company, LLC

**cc:** Borough Clerk  
Borough Administration through Legal Department  
AnnaLisa Cox

**DATE:** 10/24/19

**SUBJECT:** Comment on proposed Ordinance 2019-29, Establishing Appeal  
Procedure for the Appeal filed by Echo Trading Company, LLC

This memo is to provide proposed amendments to Ordinance 2019-29 and brief supporting comments.

1. Several of the WHEREAS clauses appear to prejudice the merits of the appeal, by adopting the Legal/Planning Department's position on the appeal points. For example, whether the easement is a utility easement at all. This is a point on appeal for the Assembly to decide. These types of WHEREAS clauses should be removed. See, Attachment A, which shows requested revisions/amendments to the Legal Department's proposed Ordinance 2019-29.

2. There are major due process problems with the hearing officer procedures that the Borough Administration/Legal Department wants the Assembly to adopt for the Echo Trading Company appeal. In KPB 21.20.230(B), the Borough Assembly singled out vacation appeals, and reserved them to the Assembly. Echo Trading Company requests that the Assembly use some Assembly/Board of Adjustment procedures that were in effect from 1997-2017 for vacation appeals. These prior BOA procedures were more neutral, more fair, and less strict than the new hearing officer ordinance.

3. The old BOA procedures that Echo Trading Company requests the Assembly adopt in place of the current hearing officer procedures are in Attachment B to this memo:

a. **Ordinance 97-33, Section 4, 21.20.290 – Evidence**, in place of current KPB 21.20.290. The old BOA procedure allowed for new evidence, to supplement the Planning Commission meeting materials (the new hearing officer ordinance does not). Supplemental materials are helpful to understand a case; restricting the Assembly appeal to just Planning Commission meeting materials in an easement vacation appeal such as this one is unfair.



b. **Ordinance 97-33, Section 4, 21.20.320 – Scope of Assembly Review** , in place of current KPB 21.20.320. The old BOA procedure gave the Assembly an opportunity to consider new evidence from the appeal hearing, not restricted to the Planning Commission record. The new hearing officer ordinance does not.

4. We also request changes to **KPB 21.20.310 – Hearing Procedure**, subsection (C), which limits the Appellant to a 15-minute presentation. This does not give the Appellant sufficient time to make a presentation, especially one in which the Appellant wants to explain an alternate easement proposal for an easement that the Planning Commission vacated without an alternative. We request 25 minutes with 10 minutes for rebuttal, for the appellant and applicant.

In addition, Echo Bay Trading requests that the Assembly delete “Staff overview” on the hearing agenda. In this appeal the staff is supporting their own proposed findings to the Planning Commission, which were adopted by the Planning Commission; therefore, giving the staff an extra opportunity to lobby the Assembly with an “overview” is unfair. No “overview” is necessary. See, Attachment C, which shows requested changes to the existing ordinance for purposes of this appeal.

These requests may require other changes to the new hearing officer ordinance.

Introduced by: Mayor  
Date: 10/08/19  
Hearing: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-29**

**AN ORDINANCE ESTABLISHING THE APPEAL PROCEDURE BEFORE THE  
BOROUGH ASSEMBLY FOR THE APPEAL FILED BY ECHO TRADING  
COMPANY, LLC OF A PLANNING COMMISSION DECISION**

**WHEREAS**, Echo Trading Company, LLC has filed an appeal of a planning commission decision vacating an ~~utility (drainage)~~ easement; and

~~WHEREAS, after the appeal was filed it was determined that borough code does not contain a specific procedure for appeals of a utility easement vacation decision; and~~

**WHEREAS**, in order to timely resolve the present appeal, it is necessary that the borough set a one-time procedure for this appeal; and

**WHEREAS**, KPB 21.20.230(B) states that the assembly shall consider vacation petitions approved by the planning commission in accordance with the procedures in KPB Chapter 20.70; and

**WHEREAS**, KPB Chapter 20.70 does not include procedures for the assembly to consider vacation petitions of ~~utility~~ easements approved by the planning commission pursuant to ~~KPB 20.70.080~~; and

**WHEREAS**, this ordinance will establish that for the appeal filed by Echo Trading Company, LLC the full assembly will ~~hear~~ ~~sit as the hearing officer for~~ the appeal, with the assembly president serving as presiding officer, and the appeal will follow the ~~same~~ procedures as set forth in this ordinance ~~KPB Chapter 21.20~~;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** This is an uncodified ordinance.

SECTION 2. For purposes of complying with KP.B 21.20.230(B) to address the appeal filed by Echo Trading Company, LLC, regarding the planning commission's vacation approval decision in KP.B File NO. 2019-048V, the assembly will ~~sit as the hearing officer and~~ follow the appeal procedures set forth in KP.B 21.20.210 through KP.B 21.20.360, except as follows.

SECTION 3. The procedures from Ordinance 97-33, Section 4, KP.B 21.20.290 - Evidence and KP.B 21.20.320 - Scope of Appellate Review, will be used in place of existing KP.B 21.20.290 and KP.B 21.20.320.

SECTION 4. The procedures in KP.B 21.20.310 - Hearing Procedure, Paragraph C are replaced with the following procedures:

**21.20.310, Hearing Procedure.**

C. Agenda. The hearing will be conducted in the following order:

1. Appellant, 25 minutes.
2. Persons filing entries of appearance supporting appellant, 5 minutes each.
3. Applicant, if the applicant is not an appellant, 25 minutes.
4. Persons filing entries of appearance supporting applicant's position, 5 minutes each.
5. Appellant's rebuttal 10 minutes.

SECTION ~~5.3~~. The assembly president will act as the presiding officer.

SECTION ~~6.4~~. For purposes of this appeal, the current landowner of the parcel encumbered by the easement and the appellant, Echo Trading Company, LLC, will both be considered a "party of record."

SECTION ~~7.5~~. That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \*  
DAY OF \*, 2019.**

regulations or other legal authority for the position taken by the party to the appeal. Failure to timely submit the opening written argument will result in dismissal of that party from the appeal. Multiple parties may preserve their party status by filing a single written argument, however, the written argument must clearly identify all parties filing the single argument. The board may waive irregularities in the content of the notice of appeal or written arguments.

- B. Reply argument. Each party may submit a reply argument within 15 days of the filing deadline for the initial written arguments. The reply shall be limited to response to matters specifically raised in the argument responded to. A party shall file a single reply argument in response to all opening arguments filed.
- C. Extension. The board of adjustment chair, upon good cause shown, may grant an extension of time to any party or legal representative for the completion of any act required under this section, except for the filing of the notice of appeal, where the remaining parties will not appear to be unduly prejudiced by the delay. An extension permitted one party shall be extended to all parties by notice from the borough clerk. Motions for extensions shall comply with the provisions of KPB 21.20.280(D) and 21.20.300.
- D. Service. Service of written arguments shall be made on all parties of record for briefs and on parties permitted to file motions and respond to motions by KPB 21.20.300 and 350. Proof of service shall be filed by the parties with the clerk at the same time the document served is being filed with the clerk. The certificate of service must specifically state the persons who have been served, the date and manner of service.

**21.20.290 Evidence.**

- A. All evidence including but not limited to maps, documents, correspondence, and photographs that a party wishes the board of adjustment to consider in its deliberations must be submitted with the parties' written arguments or reply arguments. Witness lists must also be submitted by the date the reply briefs are due. Parties are discouraged from resubmitting evidence which already appears in the record certified by the planning department.
- B. Evidence which is not submitted with the written arguments may not be submitted at the hearing unless it is evidence that with due diligence could not have been submitted with the arguments. If the new evidence is admitted the opposing parties upon request shall be provided adequate opportunity to respond to the new evidence.

**21.20.300 Motions.**

- A. Parties. Motions for continuances, shortened time, or other matters may be filed by the following parties:
  - 1. the appellant;
  - 2. the appellee;
  - 3. a borough official.
- B. Response. The president shall allow a time for response to a motion by the nonmoving parties set forth in KPB 21.20.300(A).
- C. Ruling. The assembly president may rule on the motion, appoint a deputy chair or subcommittee to consider and rule on the motion, or request the entire board consider and rule on the motion.

**21.20.310 Board of adjustment hearing procedure.**

- A. Time. The assembly president shall establish the date for consideration of the appeal by the board of adjustment on a date that is not less than 35 nor more than 90 days after the service of the notice of certification of the record. The assembly may for good cause shorten or extend the hearing date.
- B. Participants. The board of adjustment shall permit oral argument or testimony by any party who either filed the appeal or an entry of appearance and has filed a written argument.
- C. Agenda. Testimony and argument shall be conducted in the following order:
  - 1. ~~Staff overview explanation of proceedings and decision before the planning commission, 10 minutes.~~
  - 2. Appellant, ~~15 minutes.~~ 25 minutes
  - 3. Persons filing entries of appearance or witnesses supporting appellant, 5 minutes each.
  - 4. Appellee, ~~15 minutes.~~ 25 minutes
  - 5. Persons filing entries of appearance or witnesses supporting appellee's position, 5 minutes each.
  - 6. Appellant's rebuttal, ~~5 minutes.~~ 10 minutes
  - 7. Board of adjustment examination of staff, if any. If staff is the appellant or appellee, Item 1 and 7 may be deleted from the agenda.
- D. Sworn testimony. Parties and witnesses shall be sworn in, but advocates for parties who are making oral argument rather than providing testimony, need not be sworn in.
- E. Agenda flexible. The board of adjustment may revise the agenda set forth in section © for good cause. The board of adjustment chair person may limit testimony by any person to reduce cumulative or repetitive testimony. The board of adjustment may independently call persons to testify who are not party to the appeal or included on witness lists, if it believes the testimony will aid its decision in the matter. The board for good cause shown may grant additional time for oral argument to the original appellant or appellee. On such event, the opposing party, where the opposing party is the original appellant or appellee, shall be granted equal additional time. Failure to observe the procedures set forth in section © may not affect the validity of the board of adjustment's decision so long as the parties have had reasonable opportunity to be heard.
- F. Deliberations. The board of adjustment may undertake deliberations immediately upon the conclusion of the hearing on appeal or may take the matter under advisement and meet at such other time as is convenient for deliberations until a decision is rendered. Deliberations need not be public. The board of adjustment by majority vote may appoint a subcommittee of the board of adjustment membership to develop findings based on the board of adjustment's deliberations. Deliberations and development of findings may be done in consultation with legal counsel.
- G. Vote. The board's decision must be made by majority vote. The vote of each board of adjustment member shall be made public, either orally or in the board's written decision. If the board publicly announces its decision the vote of each member shall be announced at that time.

**21.20.320 Scope of appellate review.**

After the *de novo* hearing the board shall apply the following rules to its decision:

1. The board of adjustment may exercise its independent judgment on matters that relate to the interpretation or construction of ordinances or other provisions of law.
2. The board of adjustment shall defer to the judgment of the planning commission regarding findings of fact if they are supported in the record by substantial evidence.
3. Where the board of adjustment decides that a finding of fact made by the planning commission is not supported by substantial evidence, the board of adjustment shall make a finding on the factual issue, based upon the following:
  - a. The evidence in the record developed before the planning commission; and
  - b. The record developed at a de novo hearing before the board of adjustment.

**21.20.330 Remand by board of adjustment**

- A. Changed circumstances. An appeal alleging changed circumstances, which with due diligence could not have been presented to the planning commission, may be remanded to the planning commission or heard by the board of adjustment.
- B. Lack of findings. Appeals which lack findings of fact and conclusions by the planning commission may be heard by the board of adjustment or remanded to the planning commission with an order to make findings of fact and conclusions.
- C. Findings for remand. The board of adjustment shall make findings of fact and conclusions setting forth the basis for the remand and shall include instructions to the planning commission regarding whether additional evidence, notice, hearing or findings are required.

**21.20.340 Decision.**

- A. Scope of decision. The board of adjustment shall base its decision upon the record, prefiled evidence, and testimony presented at the hearing. The board of adjustment may remand, affirm, reverse, or modify, in whole or in part, the appealed decision or order. The decision, where appropriate, may include further instructions to staff or the planning commission to effect the board of adjustment's decision. If the board of adjustment does not remand the decision or order appealed, the decision or order of the board of adjustment is final.
- B. Interim order. If upon entering deliberations the board of adjustment finds that additional information is needed to make a fully informed and fair decision the board of adjustment may issue an interim order requesting additional testimony, evidence, or written presentations from any parties. Interim orders shall be served on all parties to the appeal.
- C. Written decision. The board of adjustment's decision shall be in writing and shall state that it is a final decision, include the board of adjustment's findings of fact and conclusions, and notify the parties of their right to appeal. The findings shall be reasonably specific so as to provide the parties, and where appropriate, reviewing authorities, a clear and precise understanding of the reason for the decision.
- D. Time. The decision shall be filed with the clerk within 30 calendar days after the completion of the hearing.
- E. Service. The board of adjustment decision shall be mailed or personally delivered, within 10 days after the board of adjustment's written decision is signed by the board of adjustment chair, to the parties of record who filed a written argument.
- F. Similar petitions. A person aggrieved by a board of adjustment decision may not submit a substantially similar petition to the lower level decision maker as that which was appealed to the board of adjustment unless a significant change of circumstances has occurred. The

**21.20.310, Hearing Procedure.**

C. *Agenda.* The hearing **Argument** will be conducted in the following order:

~~1. Staff overview. Explanation of proceedings and decision before the planning commission, 10 minutes.~~

~~2.~~ Appellant, ~~25~~ **15** minutes.

~~2.3.~~ Persons filing entries of appearance supporting appellant, 5 minutes each.

~~3.4.~~ Applicant, if the applicant is not an appellant, ~~25~~ **15** minutes.

~~4.5.~~ Persons filing entries of appearance supporting applicant's position, 5 minutes each.

~~5.6.~~ Appellant's rebuttal ~~10~~ **5** minutes.

~~6.7. Hearing officer examination of staff, if any. If staff is the appellant, Item 1 and 7 may be deleted from the agenda.~~

**ATTACHMENT C**





Introduced by: Mayor  
Date: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2019-056**

**A RESOLUTION AUTHORIZING THE KENAI PENINSULA BOROUGH TO JOIN  
THE ALASKA REMOTE SELLER SALES TAX COMMISSION FOR THE PURPOSE  
OF DEVELOPING, IMPLEMENTING, AND ENFORCING A REMOTE SELLER  
SALES TAX CODE AND DESIGNATING THE COMMISSION REPRESENTATIVE**

**WHEREAS,** the inability to effectively collect sales tax on sales of personal property, products or services transferred or delivered into Alaska by a remote seller in response to orders placed electronically by local consumers is eroding the sales tax base of Alaska communities and resulting in revenue losses that are causing imminent harm to residents through the loss of critical funding for local education; and

**WHEREAS,** the harm from the loss of revenue is especially problematic in Alaska because the state has no broad-based sales tax, and sales tax revenues are essential in funding the provision of services by local governments; and

**WHEREAS,** the failure to collect tax on remote sales creates artificial market distortions and competitive advantages for remote sellers by perpetuating tax shelters for businesses that limit their physical presence in the state or its municipalities but still sell goods and services to local consumers without collecting sales tax, something that becomes easier and more prevalent as technology continues to advance; and

**WHEREAS,** the structural advantages for remote sellers, including the absence of point-of-sale tax collection, combined with the general growth of online retail, means that the erosion of the sales tax base is a growing problem that will only worsen in the near future if the borough is not able to legally collect remote seller sales tax within the framework of current United States Supreme Court case law; and

**WHEREAS,** the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the State of Alaska or within the Kenai Peninsula Borough, but do have a taxable connection with those jurisdictions; and

**WHEREAS,** the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

**WHEREAS,** remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

**WHEREAS,** modern computing and software options ensure that it is neither unusually difficult nor a substantial burden for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

**WHEREAS,** in order to implement a single-level statewide sales tax administration, it is the intent of numerous local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the “Commission”); and

**WHEREAS,** the function and powers of the Commission will be set forth in the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the “Agreement”), a cooperative agreement between Commission members; and

**WHEREAS,** under the terms of the Agreement, in order to maintain membership in the Commission, the borough will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote sellers; and

**WHEREAS,** the uniform remote sales tax code will be presented to the assembly for consideration once adopted by the Commission to comply with guidance found in the *Wayfair* decision; and

**WHEREAS,** if adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

**WHEREAS,** the intent of the Agreement is to enable Alaska’s taxing jurisdictions to levy their municipal sales tax as now allowed by federal constitutional doctrines; and

**WHEREAS,** Article X, Section 13 of the Alaska Constitution authorizes local government to enter into agreements for the cooperative or joint administration of any function or power, unless otherwise prohibited by law or charter;

**WHEREAS,** in addition AS 29.35.010(13) provides authority for the borough to enter into intergovernmental cooperative agreements for the joint administration of a borough function or power;

**WHEREAS,** a purpose of being an early member of the Commission is to have a voice during the formation process while not committing to any future obligation or action; and

**WHEREAS,** a member will be able to withdraw from the Commission if the adopted bylaws, uniform code, or fees are not acceptable to the member municipality;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The mayor is authorized to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission, including the Alaska Intergovernmental Remote Seller Sales Tax Agreement included as Attachment A.

**SECTION 2.** The borough finance director or designee is designated as the borough's representative on the Commission.

**SECTION 3.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF NOVEMBER, 2019.**

\_\_\_\_\_  
Kelly Cooper, Assembly President

ATTEST:

\_\_\_\_\_  
Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Finance Department

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### MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** Brandi Harbaugh, Finance Director *BH*  
Sean Kelley, Deputy Borough Attorney *SK*

**DATE:** October 24, 2019

**SUBJECT:** Resolution 2019-*056* Authorizing the Kenai Peninsula Borough to Join the Alaska Remote Seller Sales Tax Commission for the Purpose of Developing, Implementing, and Enforcing a Remote Seller Sales Tax Code and Designating the Commission Representative (Mayor)

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This resolution authorizes the borough administration to execute the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement") and become a member municipality of the Alaska Remote Seller Sales Tax Commission (the "Commission"). This resolution also designates the borough's representative on the Commission. The formation of and membership in the Commission is the first step toward implementing a single-level administrator for the collection and remittance of remote seller sales taxes. A single-level administrator of remote seller sales taxes is a necessary long-term solution if the borough wants to collect remote seller, or "e-commerce", sales tax.

The inability to effectively collect sales tax on sales of personal property, products, or services transferred or delivered into the borough by a remote seller in response to orders placed electronically by local consumers is eroding the sales tax base of Alaska's communities. The resulting revenue losses are causing imminent harm to residents through the loss of critical funding for local education.

The failure to collect tax on remote sales results in artificial market distortions and competitive advantages for remote sellers through perpetuating tax shelters for businesses that limit their physical presence but still sell goods and services to local consumer, which gains more and more prevalence as technology continues to advance.

The recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for amendment of the sales tax code to account for remote sellers who do not have a physical presence in a taxing jurisdiction, but do have a taxable connection with those jurisdictions. The decision in *South Dakota v.*

Page -2-  
October 24, 2019  
Re" R2019- 056

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*Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance.

Remote sellers who make a substantial number of deliveries into or have large gross revenues in Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure. Modern computing and software options ensure that it is neither unusually difficult nor a substantial burden for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions.

In the absence of state legislative action, in order to implement a single-level statewide sales tax administration, it is the intent of participating local taxing jurisdictions within Alaska to establish an intergovernmental entity (the "Commission"). The function and powers of the Commission will be set forth in the Agreement. Under the terms of the Agreement, in order to maintain membership in the Commission, the borough will be required, through a separate ordinance, to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote sellers.

Article X, Section 13 of the Alaska Constitution authorizes local government to enter into agreements for the cooperative or joint administration of any function or power, unless otherwise prohibited by law or charter. In addition AS 29.35.010(13) provides authority for the borough to enter into intergovernmental cooperative agreements for the joint administration of a borough function or powers. The intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax as now allowed by federal constitutional doctrines.

The uniform remote sales tax code will be presented to the assembly for consideration once adopted by the Commission. If the uniform code is adopted by the assembly, the administration of remote sales tax collection and remittance will be delegated to the Commission. To be clear, this resolution only authorizes entry into the Commission and a "seat at the table" during the formation process. As an initial Commission member, the borough will have a voice in drafting and adopting Commission bylaws, and a uniform remote seller sales tax code, and will elect the Commission's Board of Directors. Once the Commission is formed and bylaws are adopted, and before collections may begin, subsequent legislation will come before the assembly that would adopt the uniform code, address questions of fees for participation, and delegate remote seller sales tax administration, collection, audit, and enforcement authority to the Commission.

# Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL

October 11, 2019

## **Alaska Intergovernmental Remote Seller Sales Tax Agreement**

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

### **Article I. Background Principles.**

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

### **Article II. Purpose.**

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

### **Article III. Definitions.**

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller’s products or services (excluding lodging and rentals) through a physical or electronic marketplace operated by the person, and engages:
  - a. Directly or indirectly, through one or more affiliated persons in any of the following:
    - i. Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
    - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
    - iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
    - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (3), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
  - b. In any of the following activities with respect to the seller's products:
    - i. Payment processing services;



- ii. Fulfillment or storage services;
- iii. Listing products for sale;
- iv. Setting prices;
- v. Branding sales as those of the marketplace facilitator;
- vi. Order taking;
- vii. Advertising or promotion; or
- viii. Providing customer service or accepting or assisting with returns or exchanges.

#### **Article IV. The Commission.**

##### **1. Organization and Management.**

- a. The Alaska Remote Seller Sales Tax Commission (the “Commission”) is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member’s behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.
- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative

functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

## 2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.
- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

## 3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
- c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
- d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
  - i. Sue and be sued.
  - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
- f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
  - 1. As provided in its bylaws, hold at least one meeting after due notice to all affected members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
  - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
- g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.
- h. Amend this Agreement by majority vote of the Members.

4. Finance.

- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
- b. The Commission will follow a July 1 to June 30 fiscal year.
- c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

**Article V. Membership Requirements; Remote Seller Sales Tax Code.**

- 1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
  - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member’s representative on the Commission.
- 2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
  - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
  - b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as “Addendum A”.
- 3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.
- 4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

## **Article VI. Sales Tax Collection and Administration.**

### **1. Collection; Registration; Remittance.**

- a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
- b. The Commission will remit and report to Members by the last business day of the month.
- c. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
- d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

### **2. Returns; Confidentiality.**

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. All returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
  - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
  - ii. The person supplying such returns, reports and information; or
  - iii. Persons authorized in writing by the person supplying such returns, reports and information.

**3. Title; Penalty and Interest; Overpayment.**

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller shall process the refund and amend any returns accordingly.

**4. Audit; Compliance and Enforcement.**

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

**Article VII. Entry into Force and Withdrawal.**

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

**Article VIII. Effect on Other Laws and Jurisdiction.**

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

**Article IX. Construction and Severability.**

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.





Introduced by: Mayor  
Date: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2019-057**

**A RESOLUTION SUPPORTING THREE APPLICATIONS TO SUPPLEMENT  
ELIGIBLE HAZARD MITIGATION PROJECTS UNDER THE FEDERAL  
EMERGENCY MANAGEMENT AGENCY AND ALASKA DIVISION OF HOMELAND  
SECURITY & EMERGENCY MANAGEMENT “HAZARD MITIGATION GRANT  
PROGRAM”**

**WHEREAS**, the Federal Emergency Management Agency (“FEMA”), Hazard Mitigation Grant Program (“HMGP”) is a federal pass-thru, competitive grant program funding critical mitigation projects that limit the loss to life and property in the event of future disasters; and

**WHEREAS**, the HMGP application requirements for projects are intensive, including submission of detailed and thorough scopes of work, comprehensive cost estimates with supporting documentation, and demonstration of favorable benefit/cost analysis; and

**WHEREAS**, the borough has identified three HMGP project applications that include project alternates, describing a local match contribution in the event that partial awards may be considered by the state review committee; and

**WHEREAS**, upon notification the grant will be awarded 25 percent from the State of Alaska and 75 percent from FEMA less administrative fees; and

**WHEREAS**, it is in the best interest of the borough to provide a local match percentage due to the statewide competition for HMGP funds;

**NOW, THEREFORE BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the mayor is authorized to submit grant applications with project alternatives through the Hazard Mitigation Grant Program to supplement mitigation projects as follows:

| <b>Mitigation Project</b>                 | <b>Project with Est. Total Cost</b> | <b>Project Alternative with 25% Local Match</b> |
|---|-------------------------------------|---|
| Homer High School Ignition Resistant Roof | \$5,640,195                         | \$1,410,048.75                                  |
| Bruno Revetment and Drainage Improvement  | \$1,578,608                         | \$0   |
| SBCFSA Areawide Sedimentation Plan        | \$300,000                           | \$0   |

**SECTION 2.** That the Homer High School Ignition Resistant Roof project application will describe two funding requests: (1) request total project funding; and, (2) request funding and provide a 25 percent local match.

**SECTION 3.** That upon award notification, the mayor will submit an ordinance to accept and appropriate the funds, any local match requirements and costs not eligible under the grant program before entering into a grant agreement.

**SECTION 4.** This resolution shall become effective immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF NOVEMBER, 2019.**

\_\_\_\_\_  
Kelly Cooper, Assembly President

ATTEST:

\_\_\_\_\_  
Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Community & Fiscal Projects

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## MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JBOS*  
Brandi Harbaugh, Finance Director *BH*  
John Hedges, Purchasing & Capital Projects Director *JH*

**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager *BA*

**DATE:** October 24, 2019

**RE:** Resolution 2019-~~051~~, A Resolution Supporting Three Applications to Supplement Eligible Hazard Mitigation Projects Under the Federal Emergency Management Agency and Alaska Division of Homeland Security & Emergency Management "Hazard Mitigation Grant Program" (Mayor)

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The Hazard Mitigation Grant Program (HMGP), which is a federal pass-thru program awarding 75 percent funds through the Federal Emergency Management Agency and 25 percent funds through the Alaska Division of Homeland Security & Emergency Management. The HMGP fund is a result of November 30, 2018 Cook Inlet Earthquake. Statewide damages were significant which established federal assistance under presidential disaster declaration DR-4413. An estimated \$13 million has been designated to mitigation projects. It is expected that there will be significant statewide competition for these funds. Local match is not required under this program; however, the borough proposes to provide local match funds as project alternative in the event that partial award is received for the Homer High School roofing project. Projects #2 and #3 do not have funds available to provide a local match; therefore, no project alternative will be described in the applications.

The borough is submitting three HMGP applications to supplement the following projects:

1. Homer High School Ignition Resistant Roof Project replacing the 36-year old, cedar-shingled material that has exceeded its useful life with ignition resistant materials;

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October 24, 2019  
Re: R2019- 051

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2. Bruno Road Revetment and Drainage Project armors the 1,000-foot section of Bruno Road adjacent to Kwechak Creek and provides ditching and culverts to neighborhood roads downstream from the revetment section; and
3. Seward Bear Creek Flood Service Area, Areawide Sedimentation Plan which, upon completion, will be submitted to the Alaska Department of Natural Resources for approval to remove materials that impede drainage and water conveyance without costs.

Upon notification from the grantor, an ordinance will be introduced to accept and appropriate the awards and any costs not included in the award that would be necessary to complete the projects.

Introduced by: Mayor  
Date: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2019-058**

**A RESOLUTION ESTABLISHING AN ANADROMOUS STREAMS HABITAT  
PROTECTION WORK GROUP**

**WHEREAS**, in 1996 the Kenai Peninsula Borough Assembly enacted KPB Chapter 21.18 which established areas for regulation of activities for habitat protection within the Kenai River watershed; and

**WHEREAS**, through Ordinance 2000-08 the assembly expanded the scope of KPB 21.18 to apply to ten tributaries of the Kenai River and 14 additional streams within the east side of Cook Inlet; and

**WHEREAS**, through Ordinance 2011-12 the assembly expanded the protection area to anadromous waterbodies as listed in the “Atlas and Catalogue of Waters Important for Spawning, Rearing, or Migration of Anadromous Fish”; and

**WHEREAS**, through Ordinance 2013-18 the assembly identified regulated waterbodies as those in the “Atlas and Catalogue of Waters Important for Spawning, Rearing, or Migration of Anadromous Fish” and in the KPB 21.18 Appendix; and

**WHEREAS**, on April 6, 2010, May 4, 2010, June 8, 2010, June 21, 2012, May 15, 2102, and April 7, 2013 the assembly enacted amendments to KPB 21.18; and

**WHEREAS**, KPB 21.18.030 requires a staff review of KPB 21.18 to be presented to the planning commission and assembly every five years beginning in 2015; and

**WHEREAS**, this work group would establish a public process to fully review this chapter; and

**WHEREAS**, the review shall recommend whether it is advisable to amend the regulations to make them consistent with the purpose and findings of KPB 21.18 and the comprehensive plan, to take advantage of new information and techniques, to correct deficiencies or difficulties which may have developed in administration, or for other reasons as staff may determine;

**NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the work group is established for the purpose of examining the current anadromous stream habitat protection permit process and potentially recommending amendments to KPB 21.18.

**SECTION 2.** Staff support for the work group shall include a representative from the Kenai Peninsula Borough clerk's office, legal department, and the planning department.

**SECTION 3.** That the work group shall consist of at least one assembly member; one planning commissioner; and, five members of the public. The group shall elect from among its members a chair and vice-chair who may serve in the absence of the chair. The meetings will be conducted under Roberts Rules of Order. The assembly member shall be appointed by the assembly. The remaining members shall be appointed by the mayor.

**SECTION 4.** That each meeting time and place shall be advertised, open to the public and subject to the Open Meetings Act.

**SECTION 5.** The anadromous streams work group shall have no authority to act on behalf of the assembly or the administration or communicate on the borough's behalf other than to make recommendations to the planning commission, administration and assembly.

**SECTION 6.** The work group shall provide a final report to the planning commission, which may include recommendations for ordinance amendments, by March 23, 2020 and then discontinue unless extended by the assembly.

**SECTION 7.** That this resolution shall become effective immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF NOVEMBER, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Planning Department

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## MEMORANDUM

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

**THRU:** Charlie Pierce, Borough Mayor *JCB*

**FROM:** Max Best, Planning Director *MB*

**DATE:** October 24, 2019

**SUBJECT:** Resolution 2019-~~058~~ Establishing an Anadromous Streams Habitat Protection Work Group (Mayor)

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The borough code provides for a periodic staff review of KPB 21.18 on a five-year basis. The review is intended to allow staff to take advantage of new information and techniques to correct deficiencies or difficulties and advise the planning commission whether it is necessary to amend the regulations to make them consistent with the purpose and findings of KPB 21.18 and the comprehensive plan.

The resolution would establish a work group composed of members from the assembly, planning commission, general public and supported by staff to examine the current code and consider whether changes should be made. It is intended that the report issued by this work group would be the five-year staff review required by code.

Your support of this resolution would be appreciated.





Introduced by: Mayor  
Date: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2019-059**

**A RESOLUTION APPROVING THE 2020 LABOR NEGOTIATION  
PROCEDURES FOR A NEW COLLECTIVE BARGAINING AGREEMENT  
WITH THE KENAI BOROUGH EMPLOYEES ASSOCIATION**

**WHEREAS**, the current collective bargaining agreement between the Kenai Peninsula Borough and the Kenai Borough Employees Association is due to expire on June 30, 2020; and

**WHEREAS**, negotiations for a new contract are anticipated to commence on November 12, 2019; and

**WHEREAS**, a set of mutually acceptable negotiation procedures have been agreed upon by both parties;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the attached 2020 labor negotiation procedures are approved and incorporated by reference.

**SECTION 2.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF NOVEMBER, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Human Resources

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### MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** Kim Saner, Director of Human Resources *KS*

**DATE:** October 24, 2019

**RE:** Resolution 2019-~~059~~ Approving Labor Negotiation Procedures for a New Collective Bargaining Agreement with the Kenai Borough Employees Association (Mayor)

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The current labor agreement with our employees' association will expire on June 30, 2020. Negotiations for a new agreement are scheduled to begin November 12, 2019. This resolution is submitted for assembly approval of the negotiating procedures agreed upon between the association and borough administration.

Please note that the procedures allow for an observer from the assembly. In addition, the assembly has the final approval of the contract submitted, whether the final contract is successfully negotiated by parties or is a product of binding arbitration.

**Kenai Peninsula  
Borough and the  
Alaska Public Employees  
Association/AFT representing the  
Kenai Borough Employees Association  
Local # 6140**

**Negotiation Procedures**

- I. The Kenai Borough Employees Association and the Kenai Peninsula Borough Administration agree that, to foster sound bargaining relationships and to establish a basis for good faith bargaining with respect to salaries, wages, hours, and other terms and conditions for employment, a mutually satisfactory set of guidelines to direct negotiations is necessary.
  
11. The Association and the Administration agree that the following rules will be in force during the duration of the current collective bargaining sessions:
  1. Negotiation sessions shall be as mutually agreed to. The first meeting shall be Wednesday, November 12 2019. At that time, the parties will begin to set the schedule for future negotiations. During the negotiations process, the parties shall first determine which articles neither party intends to change, and tentatively agree to their acceptance. The parties shall next exchange and discuss issues and proposals for non-economic articles. Economic issues shall be reserved for discussion after the parties have exhausted the discussion of the non-economic issues.
  2. All negotiations sessions shall be closed.
  3. Members of the Administration negotiation team will be: Kim Saner, HR Director; James Baisden, Chief of Staff; Roy Browning, Chief of Emergency Services; Scott Griebel Maintenance Director; Brandi Harbaugh, Finance Director. Members of the Association negotiation team will be: Jennifer Madsen, APEA; Chuck Roney, Central Emergency Services; Jeremy Malloy, Maintenance; Ann Shirnberg, Land Management and Mary Kay Grenier, Assessing, Alternate. A team member may be replaced because of illness, injury, termination, other similar emergency, or non-availability due to work. Either team, with at least one day's prior notice, may bring in a representative(s) from a department(s) for consultation and observation regarding specific items on the agenda. An Assembly member may be appointed to act as an observer.
  4. The Association and the Administration agree that it is in the best interests of the general public of the Kenai Peninsula Borough to reach a mutually satisfactory employee relations agreement as soon as possible. It is agreed that both parties will make every effort to reach such an agreement on or before Friday, April 24, 2020.
  5. Kim Saner and Jennifer Madsen are the chief negotiators for their respective groups for the duration of the current bargaining session. They may designate an authorized member of their respective team to act in their capacity provided reasonable notice is given.

6. A joint progress report shall be made available, through the Human Resources Assistant, Office of Human Resources, with approval of the Association, after each negotiation session. Such public notice is issued only to asking parties. Any member of either bargaining team making a statement not in conformity with the official statement may be considered in violation of good faith bargaining. Other parties attending the negotiating sessions are bound by the same rules as the bargaining teams.
7. No work stoppage on the part of the Association or lockout of personnel by the Administration will occur during the duration of the current contract.
8. Initialing of statements of intent by the chief negotiator of both parties denotes tentative agreement of a particular issue. Once an article is tentatively agreed upon, it shall only be reopened by mutual consent. No changes to the contract shall be recognized unless documented by a signed tentative agreement.
9. At the end of each bargaining meeting there shall be an agenda established for the next meeting in order to allow both parties to prepare for a meaningful exchange of ideas concerning designated topics.
10. After thorough discussion of any item has taken place, with both sides exhausting all arguments in favor of their proposal and no agreement having been reached, the sides may mutually agree to suspend discussion in order to further research and amend their proposals for discussion at a future agreed upon date and time. The negotiation process will then continue with the next item on the agenda.
11. The declaration of impasses is a vital portion of good faith bargaining which is necessary to provide a final resolution of items of disagreement.

The following steps shall lead to a declaration of impasse and arbitration of the contested items:

- A. If, after all items to be discussed have been considered, and each party contends it has presented its last best offer on each item and no agreement has been reached, an impasse exists.
  - B. If an impasse is reached, either party may make a written request for arbitration.
  - C. Each party will have three business days to agree on an arbitrator or to request a list of arbitrators from the Federal Mediation Conciliation Service (FMCS).
  - D. When a list of arbitrators is received, both parties shall have three days to appoint the arbitrator.
  - E. Only the items under contention shall be submitted to the arbitrator for resolution. The arbitrator's decision shall be binding upon both parties.
  - F. The Association and the Borough shall equally share costs incurred for the arbitrator.
12. In order to preserve the concept of good faith bargaining, there shall be no

discussion concerning the current negotiations between the members of the two parties except during a duly convened negotiation session.

13. Borough employees on the negotiation team shall be considered to be in an on-duty status while attending negotiation/arbitration sessions held during their scheduled work hours/days.
14. The provisions of this document shall govern all negotiation meetings to be conducted during current negotiations.
15. The parties agree that as soon as practical, any tentative agreement reached shall be submitted to the Association membership for ratification. Further, that upon receipt of the ratified agreement (or in the case of arbitration, the arbitrator's award), the agreement will be submitted by resolution at the next regular Assembly meeting for Assembly action.

\_\_\_\_\_  
Jennifer Madsen, Chief Negotiator  
On Behalf of: KBEA/APEA/AFT (AFL-CIO)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kim Saner, Chief Negotiator  
On Behalf of: Kenai Peninsula Borough

\_\_\_\_\_  
Date

Introduced by: Blakeley, Carpenter  
Date: 11/05/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2019-060**

**A RESOLUTION URGING THE ALASKA DEPARTMENT OF  
TRANSPORTATION & PUBLIC FACILITIES TO KEEP THE SILVERTIP  
MAINTENANCE STATION OPEN**

**WHEREAS,** on September 4, 2019, the Alaska Department of Transportation & Public Facilities (“DOT&PF”) issued a press release announcing its decision to close the Silvertip Maintenance Station located near the juncture of the Seward and Hope Highways, and to have the Crown Point and Girdwood Maintenance Stations provide services to the Silvertip region originally from 4 a.m. to 8 p.m. but extended those hours on October 24, 2019 from 4 a.m. to 10 p.m.; and

**WHEREAS,** the Silvertip Station is in the midst of the Kenai Mountains, enabling DOT&PF to provide prompt road maintenance services in the heart of this elevated area of steep slopes and frequent curves along the Seward Highway through Turnagain Pass; and

**WHEREAS,** the Seward Highway is the sole roadway connection to the Kenai Peninsula Borough, home to approximately 58,522 people, and is relied on daily for travel for many purposes including access to medical services, the delivery of mail, goods and services, other business travel, and many other important purposes; and

**WHEREAS,** according to DOT& PF five positions were cut as a result of less than expected revenue from the Motor Fuel Tax which supports DOT&PF’s maintenance workers and stations; and

**WHEREAS,** the Silvertip Station is about 25 road miles from the Girdwood Station and about 32.5 miles from the Crown Point Station, which leaves a large additional expanse to be covered by these stations, and is expected to result in substantially delayed and reduced road maintenance services in the area previously covered by the Silvertip Station; and

**WHEREAS,** this is also expected to result in increased road closures, depending upon weather and road conditions, on this important arterial highway; and

**WHEREAS,** the traffic between 10 p.m. and 4 a.m. normally consists of heavy semi-trucking including doubles and carrying heavier than normal loads in order to travel at a time when most of the public is not on the road; and

**WHEREAS,** the Kenai Peninsula Borough has established the Eastern Peninsula Highway Emergency Service Area which coordinates the provision of volunteer emergency

services along the Seward Highway and eastern portions of the Sterling Highway which under current conditions requires volunteers to put in long hours to respond to accidents and deliver injured people to medical services when needed; and

**WHEREAS,** this severe reduction in road maintenance will also detrimentally impact road safety by delaying the ability of emergency personnel to respond to vehicle accidents occurring within the Seward Highway corridor and then deliver injured people to the health care services they may require; and

**WHEREAS,** the lack of maintenance during these hours will likely increase the volume of heavier commercial vehicles travelling at the same times most smaller vehicles travel, further increasing safety risks;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The assembly strongly urges the Department of Transportation and Public Facilities to keep the Silvertip Maintenance Station open during the upcoming winter months with personnel needed to properly maintain that section of the highway.

**SECTION 2.** That copies of this resolution shall be sent to Governor Michael R. Dunleavy, John McKinnon, Commissioner DOT&PF; Wolfgang Junge, Director, Central Region, DOT&PF; Mike Lesmann, Legislative Liaison, DOT&PF; Senator Peter Micciche; Senator Gary Stevens, Representative Ben Carpenter, Representative Sarah Vance; Representative Gary Knopp; City of Seward; City of Kenai; City of Soldotna; City of Homer; and, the Municipality of Anchorage

**SECTION 3:** That this resolution shall become effective immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH DAY OF NOVEMBER, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:



Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-18**

**AN ORDINANCE APPROPRIATING ADDITIONAL FUNDING FOR THE  
CONSTRUCTION OF NIKISKI FIRE STATION NUMBER THREE**

**WHEREAS,** in 2003 Nikiski Fire Service Area expended funds to acquire property and design a new fire station facility (“Nikiski Fire Station #3”) at the corner of Holt Lamplight Road and Escape Route Road; and

**WHEREAS,** in the fiscal year 2019 budget process \$3,200,000 was appropriated to update design documents, complete construction, and purchase necessary equipment for the new Nikiski Fire Station #3; and

**WHEREAS,** third party project cost estimates indicate that the current funding is not adequate to complete the scope of work; and

**WHEREAS,** a project Invitation to Bid was released on October 3, 2019 with a bid opening date of November 6, 2019; and

**WHEREAS,** actual project costs will be provided to the Nikiski Fire Service Area Board at the regularly scheduled meeting on November 13, 2019 for their recommendation; and

**WHEREAS,** in order to ensure that the funds necessary to award the contract are available an appropriation will need to be made to offset the difference in the project cost;

**WHEREAS,** at its meeting on November 13, 2019, the Nikiski Fire Service Area Board recommended \_\_\_\_\_;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That funds in the amount of \$1,000,000 are appropriated from the Nikiski Fire Service Area fund balance 206.27910 to be transferred to project account 441.51110.19411.49999.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 3.** This ordinance takes effect immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Purchasing & Contracting Department

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### MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** John Hedges, Purchasing & Contracting Director *JH*  
Brandi Harbaugh, Finance Director *BH*  
Bryan Crisp, Chief - Nikiski Fire Service Area *JBC*

**DATE:** October 24, 2019

**RE:** Ordinance 2019-19-18, Appropriating Additional Funding for the Construction of Nikiski Fire Station Number Three (Mayor)

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In 2003 Nikiski Fire Service Area Board approved a design project for Nikiski Fire Station #3 to be located at the intersection of Holt Lamplight Road and Escape Route Road. The project advance was halted pending the availability of funds for construction.

In the fiscal year 2019 budget process \$3,200,000.00 was appropriated to update the 16-year-old design documents, complete construction, and equip the station with its basic facility needs.

In the design process a third party estimate was provided by the design team identifying an estimated project cost of \$4,200,000.00. Refinement of the project scope, while still addressing the basic facility service needs, was completed and the total project budget is currently estimated at \$4,025,000.00

A project invitation to bid was released on October 3, 2019 with a bid opening date of November 6, 2019.

On November 13, 2019, the Nikiski Fire Service Area Board will be presented with the bid results at their regularly scheduled meeting for the board's recommendation.

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October 24, 2019  
RE: O2019-19- 18

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In order to ensure that the funds necessary to award the construction contract are available an appropriation will need to be made to offset the difference in the project cost after construction bids are opened on November 6, 2019.

This ordinance appropriates \$1,000,000.00 from the Nikiski Fire Service Area fund balance to be transferred to the Nikiski Fire Service Area Capital project fund, project account 441.51110.19411.49999.

Your consideration of this ordinance is appreciated.

|  |                         |
|--|-------------------------|
| <b>FINANCE DEPARTMENT<br/>ACCOUNT / FUNDS VERIFIED</b> |                         |
| Acct. No.  | <u>206.27910</u>        |
| Amount:  | <u>\$1,000,000.00</u>   |
| By: <u>PP</u>  | Date: <u>10/25/2019</u> |

Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-19**

**AN ORDINANCE APPROPRIATING PHASE TWO BOND PROCEEDS FOR THE  
PURPOSE OF PURCHASING EMERGENCY RESPONSE VEHICLES IN THE  
CENTRAL EMERGENCY SERVICE AREA**

**WHEREAS,** Ordinance 2015-21, authorized an election to be held on October 5, 2015, for the purpose of submitting the question of authorizing the issuance of general obligation bonds to purchase emergency response vehicles to the qualified voters of the Central Emergency Service Area; and

**WHEREAS,** at that election the qualified voters approved the issuance of such bonds not to exceed \$4,400,000; and

**WHEREAS,** Resolution 2016-003 authorized the issuance of bonds not to exceed \$4,400,000 for the purchase of emergency response vehicles for the Central Emergency Service Area; and

**WHEREAS,** the borough administration elected to issue the debt in two phases with phase one to be issued in February 2016 and the remainder amount for phase two in the fall of 2019 depending on the emergency response vehicle replacement schedule; and

**WHEREAS,** in January 2016 Ordinance 2015-19-23 appropriated \$2,795,137.58 to fund the first phase for Emergency Response Vehicles; and

**WHEREAS,** in January 2016 Ordinance 2015-19-23 over-appropriated \$9,508.33 requiring a deobligation of \$9,508.33 for bond cost of issuance; and

**WHEREAS,** this ordinance would appropriate the remaining proceeds for the second phase of the debt issuance which are expected to be received on November 21, 2019 in the amount of \$1,611,195.75; and

**WHEREAS,** the first debt service payment for the 2019 CES bond issuance will be due in June 2020;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That bond proceeds in the amount of \$1,611,195.75 are appropriated to the Central Emergency Service Area Capital Project Fund, account number 443.51610.20CES.49999.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 3.** That eligible costs incurred prior to the appropriation date will be charged to the project.

**SECTION 3.** That \$9,508.33 is deobligated from account 443.51610.16CES.48310 for bond cost of issuance.

**SECTION 3.** That \$24,104.17 is appropriated from the CES Service Area fund balance 211.27910 to be transferred to account 358.51610.20CES.44020 to pay the first debt service payment for the 2019 CES bonds.

**SECTION 4.** This ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Finance Department

## MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** October 24, 2019

**RE:** Ordinance 2019-19-19, Appropriating Phase Two Bond Proceeds for the Purpose of Purchasing Emergency Vehicles in the Central Emergency Service Area (Mayor)

Ordinance 2015-21, authorized an election to be held on October 5, 2015, for the purpose of submitting a proposition to the qualified voters of the Central Emergency Service Area for approval or rejection of the bonds. At that election the qualified voters of the service area approved the issuance of the Bonds, not to exceed \$4,400,000.00

The assembly, through resolution 2016-003, authorized the issuance of General Obligation Bonds in the not-to-exceed amount of \$4,400,000 for the purchase of emergency response vehicles for the Central Emergency Service Area. The borough administration elected to issue the debt in two phases with phase I to be issued in February 2016 and the remainder amount in the fall of 2019 depending on the emergency response vehicle replacement schedule.

In January 2016 ordinance 2015-19-23 appropriated \$2,795,137.58 to fund the first phase for emergency response vehicles. This ordinance would appropriate the remaining proceeds for the second phase of the debt issuance which are expected to be received on November 21, 2019 in the amount of \$1,611,195.75 and deobligate \$9,508.33 from the 16CES bond proceeds for cost of bond issuance.

Due to the timing of the bond issuance, the first debt service payment will become due in April 2020, therefore this ordinance also appropriates fund balance from the CES Service Area Operating fund to pay the first debt service payment.

| FINANCE DEPARTMENT<br>ACCOUNT / FUNDS VERIFIED |                              |
|--|------------------------------|
| Acct. No.                                      | <u>443.51610.20CES.49999</u> |
| Amount:  | <u>\$1,611,195.75</u>        |
| Acct. No.                                      | <u>211.27910</u>             |
| Amount:  | <u>\$24,104.17</u>           |
| By: <i>PP</i>                                  | Date: <u>10/24/2019</u>      |





Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-19-20**

**AN ORDINANCE APPROPRIATING ADDITIONAL FUNDING FOR THE ANCHOR  
POINT FIRE & EMERGENCY MEDICAL SERVICE AREA STATION NUMBER ONE  
BOILER REPLACEMENT.**

- WHEREAS,** in the fiscal year 2019 budget process \$50,000 was appropriated to replace the boilers at Anchor Point Fire Station #1; and
- WHEREAS,** the two existing boilers have reached the end of their useful life and a design has been completed that will replace them with newer high efficiency boilers; and
- WHEREAS,** on October 14, 2019 five bids were received for the replacement project with a low bid of \$75,990; and
- WHEREAS,** after the design and bidding phase of the project \$38,718 is remaining in the project account balance; and
- WHEREAS,** at the October 16, 2019 Anchor Point Fire and Emergency Medical Service Area Board meeting the board unanimously voted to support appropriating the funds necessary to complete the project; and
- WHEREAS,** an additional \$45,203 will need to be appropriated to award the contract and cover the cost of the borough administration fee and construction administration services;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI  
PENINSULA BOROUGH:**

**SECTION 1.** That funds in the amount of \$45,203 are appropriated from the Anchor Point Fire and Emergency Medical Service Area Capital Project fund balance 444.27910 to project account 444.51410.19443.49999.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 3.** This ordinance takes effect immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Purchasing & Contracting Department

## MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** John Hedges, Purchasing & Contracting Director *JH*  
Brandi Harbaugh, Finance Director *BH*  
Jon Marsh, Acting Chief APFEMSA *JM*

**DATE:** October 24, 2019

**RE:** Ordinance 2019-19-20 Appropriating Additional Funding for the Anchor Point Fire and Emergency Medical Service Area Station One Boiler Replacement (Mayor)

In the fiscal year 2019 budget process \$50,000.00 was appropriated to replace the boilers at the Anchor Point Fire Station #1. The existing boilers have exceeded their useful life and the installation of new energy efficiency boilers will decrease the long term building maintenance costs of the facility.

On October 14, 2019 five bids were received and the low bidder was Peninsula Plumbing and Heating at a value of \$75,990.00.

After the completion of design services and the bidding phase the project currently has \$38,718.00 in unencumbered funds, and an additional \$45,203.00 will need to be appropriated from the Anchor Point Fire & Emergency Medical Service Area fund balance to complete the work.

At the October 16, 2019 meeting the Anchor Point Fire & Emergency Medical Service Area Board unanimously voted to support appropriating the funds necessary to complete the project.

This ordinance appropriates \$45,203.00 from the Anchor Point Fire Service Area Capital Project fund balance to project account 444.51410.19443.49999.

Your consideration of this ordinance is appreciated.

| FINANCE DEPARTMENT<br>ACCOUNT / FUNDS VERIFIED |                         |
|--|-------------------------|
| Acct. No.                                      | <u>444.27910</u>        |
| Amount:  | <u>\$45,203.00</u>      |
| By: <i>PP</i>                                  | Date: <u>10/25/2019</u> |



Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-30**

**AN ORDINANCE AMENDING KPB 21.29, KPB 21.25, AND KPB 21.50.055  
REGARDING MATERIAL SITE PERMITS, APPLICATIONS, CONDITIONS, AND  
PROCEDURES**

- WHEREAS,** Goal 6.5, Objective 1 of the 2005 Kenai Peninsula Borough Comprehensive Plan is to ensure that land use regulations adopted by the borough are necessary to control uses that affect public health and safety and address adverse impacts on the rights of adjacent property owners; and
- WHEREAS,** Goal 6.5, Objective 1, Implementation Action A, is to continue to periodically review and update existing regulations to reflect changing conditions and policies in the borough; and
- WHEREAS,** Goal 6.6 of the 2005 comprehensive plan is to reduce land use conflicts outside of the cities; and
- WHEREAS,** Goal 6.6, Objective 1, Implementation Action D, is to improve the land use regulations currently in existence including those related to material sites to minimize the impacts of erosion and flooding of neighboring properties and to minimize conflicts with surrounding land uses; and
- WHEREAS,** Goal 7.1, Objectives 1 and 2, of the 2005 comprehensive plan are to work with other agencies to protect public health and environment, to avoid duplications of other agencies' regulations, and to provide input to federal and state agencies on local conditions and opinions; and
- WHEREAS,** Goal 1 of the Mining and Minerals Processing section of the 1990 Kenai Peninsula Borough Coastal Management Program is to provide opportunities to explore, extract and process minerals, sand and gravel resources, while protecting environmental quality and other resource users; and
- WHEREAS,** an assembly subcommittee was formed in 2005 to review the material site code; and
- WHEREAS,** Ordinance 2006-01 (Substitute) codified as KPB 21.29 was adopted in 2006 after consideration of the subcommittee's report; and

**WHEREAS**, the planning department has been administering Ordinance 2006-01 (Substitute), codified as KPB 21.29 for 13 years; and

**WHEREAS**, KPB 21.25.040 requires a permit for the commencement of certain land uses within the rural district of the Kenai Peninsula Borough; and

**WHEREAS**, the planning department has recognized that certain provisions of the material site ordinance could be better clarified for the operators, public, and staff; and

**WHEREAS**, the planning commission and planning department received comments expressing concerns about dust, noise, and aesthetics; and

**WHEREAS**, approximately 253 registered prior existing use material sites and approximately 99 conditional land use permits for material sites have been granted since 1996;

**WHEREAS**, the planning department receives numerous complaints regarding unreclaimed parcels registered as nonconforming prior existing material sites which have not been regulated by KPB; and

**WHEREAS**, the assembly established a material site work group by adoption of resolution 2018-004 (Substitute) to engage in a collaborative discussion involving the public and industry to make recommendations regarding the material site code; and

**WHEREAS**, assembly resolution 2018-025 extended the deadline for the final report to be submitted to the assembly, administration and planning commission to April 30, 2019; and

**WHEREAS**, certain additional conditions placed on material site permits would facilitate a reduction in the negative secondary impacts of material sites, e.g. dust, noise, and unsightliness of material sites; and

**WHEREAS**, at its regularly scheduled meeting of November 12, 2019, the Planning Commission recommended \_\_\_\_\_;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That KPB 21.25.030 is hereby amended, as follows:

**21.25.030. Definitions.**

Unless the context requires otherwise, the following definitions apply to CLUPs:

*Abandon* means to cease or discontinue a use without intent to resume, but excluding short-term interruptions to use or activity during periods of remodeling, maintaining, or otherwise improving or rearranging a facility or during normal

periods of vacation or seasonal closure. An "intent to resume" can be shown through continuous operation of a portion of the facility, maintenance of utilities, or outside proof of continuance, e.g., bills of lading or delivery records. Abandonment also means the cessation of use, regardless of voluntariness, for a specified period of time.

*Animal feeding operation* means a lot or facility (other than an aquatic animal production facility) where animals (other than aquatic animals) have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period.

- a. The same animals need not remain on the lot for 45 days or more; rather, some animals are fed or maintained on the lot 45 days out of any 12-month period, and
- b. Animals are "maintained" for purposes of this ordinance when they are confined in an area where waste is generated and/or concentrated or are watered, cleaned, groomed, or medicated in a confined area, even if the confinement is temporary.
- c. Two or more animal feeding operations under common ownership are considered, for the purposes of these regulations, to be a single animal feeding operation if they adjoin each other.
- d. Slaughterhouses are animal feeding operations.

*Animal unit* means a unit of measurement for any animal feeding operation calculated by adding the following numbers: the number of slaughter and feeder cattle multiplied by 1.0, plus the number of mature dairy cattle multiplied by 1.4, plus the number of swine weighting [weighing] over 25 kilograms (approximately 55 pounds) multiplied by 0.4, plus the number of sheep multiplied by 0.1, plus the number of horses multiplied by 2.0.

*Animal waste* means animal excrement, animal carcasses, feed wasted, process wastewaters or any other waste associated with the confinement of animals from an animal feeding operation.

*Animal waste management system* means a combination of structures and nonstructural practices serving an animal feeding operation that provides for the collection, treatment, disposal, distribution, storage and land application of animal waste.

*Aquifer* means a subsurface formation that contains sufficient water-saturated permeable material to yield economical quantities of water to wells and springs.

*Aquifer-confining layer* means that layer of relatively impermeable soil below an aquifer, typically clay, which confines water.

*Assisted living home* means a residential facility that serves three or more adults who are not related to the owner by blood or marriage, or that receives state or that receives state or federal payment for service of the number of adults served. The services and activities may include, but are not limited to, housing and food services to its residents, assistance with activities of daily living, and personal

assistance, and that complies with Alaska Statutes 47.32.0101 – 47.60.900, as amended.

*Child care facility* means a place where child care is regularly provided for children under the age of 12 for periods of time that are less than 24 hours in duration and that is licensed pursuant to AS 47.35.005 et seq., excluding child care homes and child care group homes, as currently written or hereafter amended.

*Commercial* means any provision of services, sale of goods, or use operated for production of income whether or not income is derived, including sales, barter, rental, or trade of goods and services.

*Concentrated animal feeding operation (CAFO)* means an animal feeding operation confining at least: (1) 1,000 swine weighing at least approximately 55 pounds; (2) 1,000 slaughter and feeder cattle; (3) 700 mature dairy cattle; (4) 500 horses; (5) 10,000 sheep or lambs; (6) 55,000 turkeys; (7) 100,000 laying hens or broilers (if the facility has continuous overflow watering); (8) 30,000 laying hens or broilers (if the facility has a liquid manure system); (9) 5,000 ducks; (10) 1,000 animal units; or (11) a combination of the above resulting in at least 1,000 animal units. Each individual parcel upon which a CAFO is located is a separate CAFO unless they adjoin each other.

*Conditioning or processing material* means a value-added process including batch plants, asphalt plants, screening, washing, and crushing by use of machinery.

*Correctional community residential center (CCRC)* means a community residential center, other than a correctional institution, for the short-term or temporary detention of prisoners in transition from a correctional institution, performing restitution, or undergoing rehabilitation or recovery from a legal infirmity. CCRCs may not be used for detention of prisoners who pose a threat or danger to the public for violent or sexual misconduct without imprisonment or physical confinement under guard or twenty-four hour physical supervision. The determination of whether a prisoner poses a threat or danger to the public for violent or sexual misconduct without imprisonment or physical confinement under guard or twenty-four hour physical supervision shall be made by the commissioner of corrections for state prisoners and the United States Attorney General, or the U.S. Director of Bureau of Prisons for federal prisoners.

*Correctional institution* means a facility other than a correctional community residential center providing for the imprisonment or physical confinement or detention of prisoners under guard or twenty-four hour physical supervision, such as prisons, prison farms, jails, reformatories, penitentiaries, houses of detention, detention centers, honor camps, and similar facilities.

*Development plan* means a plan created to describe a proposed development on a specific building site excluding material sites under KPB 21.29.020.

*Disturbed* includes active excavation and all areas necessary to use a parcel as a material site including but not limited to berms, stockpiles, and excavated areas excluding all areas reclaimed for alternate post mining land uses.



[EXHAUSTED MEANS THAT ALL MATERIAL OF A COMMERCIAL QUALITY IN A SAND, GRAVEL, OR MATERIAL SITE HAS BEEN REMOVED.]

*Federal prisoners* means offenders in the custody or control or under the care or supervision of the United States Attorney General or the Bureau of Prisons.

*Groundwater* means, in the broadest sense, all subsurface water, more commonly that part of the subsurface water in the saturated zone.

*Haul route* includes the roads used to haul materials from the permit area to a roadway designated as collector, arterial or interstate by the Alaska Department of Transportation & Public Facilities.

*Liquid manure or liquid animal waste system* means any animal waste management system which uses water as the primary carrier of such waste into a primary retention structure.

*Multi-purpose senior center* is a facility where persons 60 years of age or older are provided with services and activities suited to their particular needs. The services and activities may include, but are not limited to, health examinations, legal assistance, recreation programs, general social activities, telephone reassurance programs, nutrition classes, meals at minimum cost, counseling, protective services, programs for shut-ins and education programs, and that complies with Alaska Statutes 47.60.010—47.60.090, as currently written or hereafter amended.

*Permit area* includes all excavation, processing, buffer and haul route areas of a CLUP or counter permit.

*Person* shall include any individual, firm, partnership, association, corporation, cooperative, or state or local government.

*Prisoner* means:

- a. a person held under authority of state law in official detention as defined in AS 11.81.900;
- b. includes a juvenile committed to the custody of the Alaska Department of Corrections Commissioner when the juvenile has been charged, prosecuted, or convicted as an adult.

*Private school* is a school comprised of kindergarten through 12th grade, or any combination of those grades, that does not receive direct state or federal funding and that complies with either Alaska Statute 14.45.030 or 14.45.100—14.45.130, as currently written or hereafter amended.

*Public school* is a school comprised of kindergarten through 12th grade, or any combination of those grades, that is operated by the State of Alaska or any political subdivision of the state.

*Sand, gravel or material site* means an area used for extracting, quarrying, or conditioning gravel or substances from the ground that are not subject to permits through the state location (mining claim) system (e.g., gold, silver, and other metals), nor energy minerals including but not limited to coal, oil, and gas.

*Seasonal high groundwater table* means the highest level to which the groundwater rises on an annual basis.

*Senior housing project* means senior housing as defined for purposes of construction or operation in 15 Alaska Administrative Code 151.950(c), as currently written or hereafter amended.

*Stable condition* means the rehabilitation, where feasible, of the physical environment of the site to a condition that allows for the reestablishment of renewable resources on the site within a reasonable period of time by natural processes.

*Surface water* means water on the earth's surface exposed to the atmosphere such as rivers, lakes, and creeks.

*Topsoil* means material suitable for vegetative growth.

*Vicinity* means the same as the area of notification.

*Waterbody* means any lake, pond, stream, riparian wetland, or groundwater into which storm water runoff is directed.

*Water source* means a well, spring or other similar source that provides water for human consumptive use.

**SECTION 2.** That KPB 21.29 is hereby amended, as follows:

#### **CHAPTER 21.29. MATERIAL SITE PERMITS**

##### **21.29.010. Material extraction exempt from obtaining a permit.**

- A. Material extraction which disturbs an area of less than one acre that is not in a mapped flood plain or subject to 21.29.010(B), does not enter the water table, and does not cross property boundaries, does not require a permit. There will be no excavation within 20 feet of a right-of-way or within ten feet of a lot line.
- B. Material extraction taking place on dewatered bars within the confines of the Snow River and the streams within the Seward-Bear Creek Flood Service Area does not require a permit, however, operators subject to this exemption shall provide the planning department with the information required by KPB 21.29.030(A)(1), (2), (6), (7) and a current flood plain development permit prior to beginning operations.
- C. A prior existing use under KPB 21.29.120 does not require a material extraction permit, but a floodplain development permit is required for all activities within any mapped special flood hazard area.
- D. Material extraction incidental to site development does not require a permit when an approved site development plan is on file with the planning department. Site development plans are approved by the planning director

and are valid for one year. The site development plan may be renewed on an annual basis subject to the planning director's approval.

**21.29.020. Material extraction and activities requiring a permit.**

- A. *Counter permit.* A counter permit is required for material extraction which disturbs no more than 2.5 cumulative acres and does not enter the water table. Counter permits are approved by the planning director, and are not subject to the notice requirements or planning commission approval of KPB 21.25.060. A counter permit is valid for a period of 12 months, with a possible 12-month extension.
- B. *Conditional land use permit.* A conditional land use permit (CLUP) is required for material extraction which disturbs more than 2.5 cumulative acres, or material extraction of any size that enters the water table. A CLUP is required for materials processing. A CLUP is valid for a period of five years. The provisions of KPB Chapter 21.25 are applicable to material site CLUPS and the provisions of KPB 21.25 and 21.29 are read in harmony. If there is a conflict between the provisions of KPB 21.25 and 21.29, the provisions of KPB 21.29 are controlling.

**21.29.030. Application procedure.**

- A. In order to obtain a counter permit or CLUP, an applicant shall first complete and submit to the borough planning department a permit application, along with the fee listed in the most current Kenai Peninsula Borough Schedule of Rates, Charges and Fees. The planning director may determine that certain contiguous parcels are eligible for a single permit. The application shall include the following items:
  - 1. Legal description of the parcel, KPB tax parcel ID number, and identification of whether the permit is for the entire parcel, or a specific location within a parcel;
  - 2. Expected life span of the material site;
  - 3. A buffer plan consistent with KPB 21.29.050(A)(2);
  - 4. Reclamation plan consistent with KPB 21.29.060;
  - 5. The depth of excavation;
  - 6. Type of material to be extracted and type of equipment to be used;
  - 7. Any voluntary permit conditions the applicant proposes. Failure to include a proposed voluntary permit condition in the application does not preclude the applicant from proposing or agreeing to voluntary permit conditions at a later time;
  - 8. Surface water protection measures, if any, for adjacent properties designed by a civil engineer, including the use of diversion channels,

interception ditches, on-site collection ditches, sediment ponds and traps, and silt fence;

9. A site plan and field verification prepared by a professional surveyor licensed and registered in the State of Alaska, including the following information:
- a. Location of excavation, and, if the site is to be developed in phases, the life span and expected reclamation date for each phase;
  - b. Proposed buffers consistent with KPB 21.29.050(A)(2), or alternate buffer plan;
  - c. Identification of all encumbrances, including, but not limited to easements;
  - d. Points of ingress and egress. Driveway permits must be acquired from either the state or borough as appropriate prior to the issuance of the material site permit;
  - e. Anticipated haul routes;
  - f. Location and [DEPTH] elevation of test holes, and depth of groundwater, if encountered between May and December. At least one test hole per ten acres of excavated area is required to be dug. The test holes shall be at least four feet below the proposed depth of excavation;
  - g. Location of wells of adjacent property owners within 300 feet of the proposed parcel boundary;
  - h. Location of any water body on the parcel, including the location of any riparian wetland as determined by "Wetland Mapping and Classification of the Kenai Lowland, Alaska" maps created by the Kenai Watershed Forum;
  - [I]. SURFACE WATER PROTECTION MEASURES FOR ADJACENT PROPERTIES, INCLUDING THE USE OF DIVERSION CHANNELS, INTERCEPTION DITCHES, ON-SITE COLLECTION DITCHES, SEDIMENT PONDS AND TRAPS, AND SILT FENCE; PROVIDE DESIGNS FOR SUBSTANTIAL STRUCTURES; INDICATE WHICH STRUCTURES WILL REMAIN AS PERMANENT FEATURES AT THE CONCLUSION OF OPERATIONS, IF ANY;]
  - [J]i. Location of any processing areas on parcel, if applicable;
  - [K]j. North arrow;
  - [L]k. The scale to which the site plan is drawn;
  - [M]l. Preparer's name, date and seal;
  - [N]m. Field verification shall include staking the boundary of the parcel at sequentially visible intervals. The planning director

may grant an exemption in writing to the staking requirements if the parcel boundaries are obvious or staking is unnecessary.

- B. In order to aid the planning commission or planning director's decision-making process, the planning director shall provide vicinity, aerial, land use, and ownership maps for each application and may include additional information.

**21.29.040. Standards for sand, gravel or material sites.**

- A. These material site regulations are intended to protect against aquifer disturbance, road damage, physical damage to adjacent properties, dust, noise, and visual impacts. Only the conditions set forth in KPB 21.29.050 may be imposed to meet these standards:
1. Protects against the lowering of water sources serving other properties;
  2. Protects against physical damage to [OTHER] adjacent properties;
  3. [MINIMIZES] Protects against off-site movement of dust;
  4. [MINIMIZES] Protects against noise disturbance to other properties;
  5. [MINIMIZES] Protects against visual impacts of the material site; [AND]
  6. Provides for alternate post-mining land uses[.];
  7. Protects Receiving Waters against adverse effects to fish and wildlife habitat;
  8. Protects against traffic impacts; and
  9. Provides consistency with the objectives of the Kenai Peninsula Borough Comprehensive Plan and other applicable planning documents.

**21.29.050. Permit conditions.**

- A. The following mandatory conditions apply to counter permits and CLUPs issued for sand, gravel or material sites:
1. [PARCEL]Permit boundaries. [ALL BOUNDARIES OF THE SUBJECT PARCEL] The buffers and any easements or right-of-way abutting the proposed permit area shall be staked at sequentially visible intervals where parcel boundaries are within 300 feet of the excavation perimeter. Field verification and staking will require the services of a professional land surveyor. Stakes shall be in place [AT TIME OF APPLICATION] prior to issuance of the permit.
  - [2. *BUFFER ZONE.* A BUFFER ZONE SHALL BE MAINTAINED AROUND THE EXCAVATION PERIMETER OR PARCEL BOUNDARIES. WHERE AN EASEMENT EXISTS, A BUFFER SHALL NOT OVERLAP THE EASEMENT,

UNLESS OTHERWISE CONDITIONED BY THE PLANNING DIRECTOR OR PLANNING COMMISSION.

- A. THE BUFFER ZONE SHALL PROVIDE AND RETAIN A BASIC BUFFER OF:
  - I. 50 FEET OF UNDISTURBED NATURAL VEGETATION, OR
  - II. A MINIMUM SIX-FOOT EARTHEN BERM WITH AT LEAST A 2:1 SLOPE, OR
  - III. A MINIMUM SIX-FOOT FENCE.
- B. A 2:1 SLOPE SHALL BE MAINTAINED BETWEEN THE BUFFER ZONE AND EXCAVATION FLOOR ON ALL INACTIVE SITE WALLS. MATERIAL FROM THE AREA DESIGNATED FOR THE 2:1 SLOPE MAY BE REMOVED IF SUITABLE, STABILIZING MATERIAL IS REPLACED WITHIN 30 DAYS FROM THE TIME OF REMOVAL.
- C. THE PLANNING COMMISSION OR PLANNING DIRECTOR SHALL DESIGNATE ONE OR A COMBINATION OF THE ABOVE AS IT DEEMS APPROPRIATE. THE VEGETATION AND FENCE SHALL BE OF SUFFICIENT HEIGHT AND DENSITY TO PROVIDE VISUAL AND NOISE SCREENING OF THE PROPOSED USE AS DEEMED APPROPRIATE BY THE PLANNING COMMISSION OR PLANNING DIRECTOR.
- D. BUFFERS SHALL NOT CAUSE SURFACE WATER DIVERSION WHICH NEGATIVELY IMPACTS ADJACENT PROPERTIES OR WATER BODIES. SPECIFIC FINDINGS ARE REQUIRED TO ALTER THE BUFFER REQUIREMENTS OF KPB 21.29.050(A)(2)(A) IN ORDER TO MINIMIZE NEGATIVE IMPACTS FROM SURFACE WATER DIVERSION. FOR PURPOSES OF THIS SECTION, SURFACE WATER DIVERSION IS DEFINED AS EROSION, FLOODING, DEHYDRATION OR DRAINING, OR CHANNELING. NOT ALL SURFACE WATER DIVERSION RESULTS IN A NEGATIVE IMPACT.
- E. AT ITS DISCRETION, THE PLANNING COMMISSION MAY WAIVE BUFFER REQUIREMENTS WHERE THE TOPOGRAPHY OF THE PROPERTY OR THE PLACEMENT OF NATURAL BARRIERS MAKES SCREENING NOT FEASIBLE OR NOT NECESSARY. BUFFER REQUIREMENTS SHALL BE MADE IN CONSIDERATION OF AND IN ACCORDANCE WITH EXISTING USES OF ADJACENT PROPERTY AT THE TIME OF APPROVAL OF THE PERMIT. THERE IS NO REQUIREMENT TO BUFFER THE MATERIAL SITE FROM USES WHICH COMMENCE AFTER THE APPROVAL OF THE PERMIT.]

2. Buffer Area. Material sites shall maintain buffer areas in accord with this section.

- a. A buffer area of a maximum of 100 feet shall be established between the area of excavation and the parcel boundaries. The buffer area may include one or more of the following: undisturbed

- natural vegetation, a minimum six-foot fence, a minimum six-foot berm or a combination thereof.
- b. A 2:1 slope shall be maintained between the buffer zone and excavation floor on all inactive site walls. Material from the area designated for the 2:1 slope may be removed if suitable, stabilizing material is replaced within 30 days from the time of removal.
  - c. Where an easement exists, a buffer shall not overlap the easement, unless otherwise conditioned by the planning commission or planning director, as applicable.
  - d. The buffer area may be reduced where the planning commission or planning director, as applicable, has approved an alternate buffer plan. The alternate buffer plan must consist of natural undisturbed vegetation, a minimum six-foot berm, or a minimum six-foot fence or a combination thereof; unless the permittee proposes another solution approved by the planning commission or planning director, as applicable, to meet this condition.
  - e. The buffer requirements may be waived by the planning commission or planning director, as applicable, where the topography of the property or the placement of natural barriers makes screening not feasible or unnecessary.
  - f. There is no requirement to buffer a material site from uses that commence after approval of the permit.
  - g. When a buffer area has been denuded prior to review of the application by the planning commission or planning director revegetation may be required.
3. *Processing.* In the case of a CLUP, any equipment which conditions or processes material must be operated at least 300 feet from the parcel boundaries. At its discretion, the planning commission may waive the 300-foot processing distance requirement, or allow a lesser distance in consideration of and in accordance with existing uses of [OF ADJACENT PROPERTY AT THE TIME] the properties in the vicinity at the time of approval of the permit.
  4. *Water source separation.*
    - a. All permits shall be issued with a condition which prohibits any material extraction within 100 horizontal feet of any water source existing prior to original permit issuance.
    - b. All counter permits shall be issued with a condition which requires that a four-foot vertical separation [FROM]between extraction operations and the seasonal high water table be maintained.
    - c. All CLUPS shall be issued with a condition which requires that a [TWO] four-foot vertical separation [FROM]between extraction operations and the seasonal high water table be maintained.

- d. There shall be no dewatering either by pumping, ditching or some other form of draining unless an exemption is granted by the planning commission. The exemption for dewatering may be granted if the operator provides a statement under seal and supporting data from a duly licensed and qualified impartial civil engineer, that the dewatering will not lower any of the surrounding property's water systems and the contractor posts a bond for liability for potential accrued damages.
5. *Excavation in the water table.* Excavation in the water table greater than 300 horizontal feet of a water source may be permitted with the approval of the planning commission based on the following:
    - a. Certification by a qualified independent civil engineer or professional hydrogeologist that the excavation plan will not negatively impact the quantity of an aquifer serving existing water sources.
    - b. The installation of a minimum of three water monitoring tubes or well casings as recommended by a qualified independent civil engineer or professional hydrogeologist adequate to determine flow direction, flow rate, and water elevation.
    - c. Groundwater elevation, flow direction, and flow rate for the subject parcel, measured in three-month intervals by a qualified independent civil engineer or professional hydrogeologist, for at least one year prior to application. Monitoring tubes or wells must be kept in place, and measurements taken, for the duration of any excavation in the water table.
    - d. Operations shall not breach an aquifer-confining layer.
  6. *Waterbodies.*
    - a. An undisturbed buffer shall be left and no earth material extraction activities shall take place within [100] 200 linear feet from excavation limits and the ordinary high water level of surface water bodies such as a lake, river, stream, [OR OTHER WATER BODY, INCLUDING] riparian wetlands and mapped floodplains as defined in KPB 21.06. This regulation shall not apply to man-made waterbodies being constructed during the course of the materials extraction activities. In order to prevent discharge, diversion, or capture of surface water, an additional setback from lakes, rivers, anadromous streams, and riparian wetlands may be required.
    - b. Counter permits and CLUPS may contain additional conditions addressing surface water diversion.
  7. *Fuel storage.* Fuel storage for containers larger than 50 gallons shall be contained in impermeable berms and basins capable of retaining 110 percent of storage capacity to minimize the potential for uncontained spills or leaks. Fuel storage containers 50 gallons or



smaller shall not be placed directly on the ground, but shall be stored on a stable impermeable surface.

8. *Roads.* Operations shall be conducted in a manner so as not to damage borough roads as required by KPB 14.40.175 and will be subject to the remedies set forth in KPB 14.40 for violation of this condition.
9. *Subdivision.* Any further subdivision or return to acreage of a parcel subject to a conditional land use or counter permit requires the permittee to amend their permit. The planning director may issue a written exemption from the amendment requirement if it is determined that the subdivision is consistent with the use of the parcel as a material site and all original permit conditions can be met.
10. *Dust control.* Dust suppression is required on haul roads within the boundaries of the material site by application of water or calcium chloride.
11. *Hours of operation.* [ROCK CRUSHING EQUIPMENT SHALL NOT BE OPERATED BETWEEN 10:00 P.M. AND 6:00 A.M.]
  - a. Processing equipment shall not be operated between 7:00 p.m. and 6:00 a.m.
  - b. The planning commission may grant exceptions to increase the hours of operation and processing based on surrounding land uses, topography, screening the material site from properties in the vicinity and conditions placed on the permit by the planning commission to mitigate the noise, dust and visual impacts caused by the material site.
12. *Reclamation.*
  - a. Reclamation shall be consistent with the reclamation plan approved by the planning commission or planning director as appropriate in accord with KPB 21.29.060.
  - b. [AS A CONDITION OF ISSUING THE PERMIT, THE APPLICANT SHALL SUBMIT A RECLAMATION PLAN AND POST A BOND TO COVER THE ANTICIPATED RECLAMATION COSTS IN AN AMOUNT TO BE DETERMINED BY THE PLANNING DIRECTOR. THIS BONDING REQUIREMENT SHALL NOT APPLY TO SAND, GRAVEL OR MATERIAL SITES FOR WHICH AN EXEMPTION FROM STATE BOND REQUIREMENTS FOR SMALL OPERATIONS IS APPLICABLE PURSUANT TO AS 27.19.050.] The applicant shall operate the material site consistent with the approved reclamation plan and provide bonding pursuant to 21.29.060(B). This bonding requirement shall not apply to sand, gravel or material sites for which an exemption from state bond requirements for small operations is applicable pursuant to AS 27.19.050.

13. *Other permits.* Permittee is responsible for complying with all other federal, state and local laws applicable to the material site operation, and abiding by related permits. These laws and permits include, but are not limited to, the borough's flood plain, coastal zone, and habitat protection regulations, those state laws applicable to material sites individually, reclamation, storm water pollution and other applicable Environmental Protection Agency (EPA) regulations, clean water act and any other U.S. Army Corp of Engineer permits, any EPA air quality regulations, EPA and ADEC air and water quality regulations, EPA hazardous material regulations, U.S. Dept. of Labor Mine Safety and Health Administration (MSHA) regulations (including but not limited to noise and safety standards), and Federal Bureau of Alcohol, Tobacco and Firearm regulations regarding using and storing explosives. Any violation of these regulations or permits reported to or observed by borough personnel will be forwarded to the appropriate agency for enforcement.
14. [VOLUNTARY]Volunteered permit conditions. Conditions may be included in the permit upon agreement of the permittee and approval of the planning commission for CLUPs or the planning director for counter permits. Such conditions must be consistent with the standards set forth in KPB 21.29.040(A). Planning commission approval of such conditions shall be contingent upon a finding that the conditions will be in the best interest of the borough and the surrounding property owners. [VOLUNTARY] Volunteered permit conditions apply to the subject parcel and operation, regardless of a change in ownership. A change in [VOLUNTARY] volunteered permit conditions may be proposed [AT] by permit [RENEWAL OR AMENDMENT] modification.
15. *Signage.* For permitted parcels on which the permittee does not intend to begin operations for at least 12 months after being granted a conditional land use permit, the permittee shall post notice of intent on parcel corners or access, whichever is more visible. Sign dimensions shall be no more than 15" by 15" and must contain the following information: the phrase "Permitted Material Site" along with the permittee's business name and a contact phone number.
16. Appeal. The permit shall not be issued nor operable until the deadline for filing an appeal pursuant to KPB 21.20 has expired.
17. Sound level.
  - a. No sound resulting from the materials extraction activities shall create a sound level, when measured at or within the property boundary of the adjacent land, that exceeds 75 dB(A).

- b. For any sound that is of short duration between the hours of 7 a.m. and 7 p.m. the levels may be increased by:
    - i. Five dB(A) for a total of 15 minutes in any one hour; or
    - ii. Ten dB(A) for a total of five minutes in any hour; or
    - iii. Fifteen db(A) for a total of one and one-half minutes in any one-hour period.
  - c. At its discretion, the planning commission or planning director, as applicable, may reduce or waive the sound level requirements on any or all property boundaries. Sound level requirements shall be made in consideration of and in accordance with existing uses of the properties in the vicinity at the time of approval of the permit.
  - d. Mandatory condition KPB 21.29.050(A)(17) shall expire 365 days from adoption of KPB 21.29.050(A)(17) unless extended or modified by the assembly
18. *Reverse signal alarms.* Reverse signal alarms, used at the material site on loaders, excavators, and other earthmoving equipment shall be more technically advanced devices; such as, a multi-frequency “white noise” alarms rather than the common, single (high-pitch) tone alarms. At its discretion, the planning commission or planning director, as applicable, may waive this requirement or a portion of this requirement. The waiver of this requirement shall be made in consideration of and in accordance with existing uses of the properties in the vicinity at the time of approval of the permit.
19. *Ingress and egress.* The planning commission or planning director may determine the points of ingress and egress for the material site. The permittee is not required to construct haul routes outside the parcel boundaries of the material site. Driveway authorization must be acquired, from either the state through an “Approval to Construct” or a borough road service area as appropriate, prior to issuance of a material site permit when accessing a public right-of-way.
20. *Dust suppression.* Dust suppression shall be required when natural precipitation is not adequate to suppress the dust generated by the material site traffic on haul routes. Based on surrounding land uses the planning commission or planning director, as applicable, may waive or reduce the requirement for dust suppression on haul routes.

21. Surface water protection. Use of surface water protection measures as specified in KPB 21.29.030(A)(8) must be approved by a licensed civil engineer.
22. Groundwater elevation. All material sites must maintain one monitoring tube per ten acres of excavated area four feet below the proposed excavation.
23. Setback. Material site excavation areas shall be 250-feet from the property boundaries of any local option zoning district, existing public school ground, private school ground, college campus, child care facility, multi-purpose senior center, assisted living home, and licensed health care facility. If overlapping, the buffer areas of the excavation shall be included in the 250-foot setback.

#### **21.29.055. Decision.**

The planning commission or planning director, as applicable, shall approve permit applications meeting the mandatory conditions or shall disapprove permit applications that do not meet the mandatory conditions. The decision shall include written findings explaining how the application meets the mandatory permit conditions, and when applicable, there shall be written findings supporting any site-specific alterations to the mandatory condition as specifically allowed by KPB 21.29.050(A)(2)(a), (2)(c), (2)(d), (2)(e), (2)(g), (3), (4)(d), (5), (11)(b), (12), (14), (17)(c), (18), (19), and (20) and as allowed for the KPB 21.29.060 reclamation plan.

#### **21.29.060. Reclamation plan.**

- A. All material site permit applications require an overall reclamation plan along with a five-year reclamation plan. A site plan for reclamation shall be required including a scaled drawing with finished contours. A five-year reclamation plan must be submitted with a permit extension request.
- B. The applicant shall revegetate with a non-invasive plant species and reclaim all disturbed land [UPON EXHAUSTING THE MATERIAL ON-SITE, OR WITHIN A PRE-DETERMINED TIME PERIOD FOR LONG-TERM ACTIVITIES, SO AS TO LEAVE THE LAND IN A STABLE CONDITION. RECLAMATION MUST OCCUR FOR ALL EXHAUSTED AREAS OF THE SITE EXCEEDING FIVE ACRES BEFORE A FIVE-YEAR RENEWAL PERMIT IS ISSUED, UNLESS OTHERWISE REQUIRED BY THE PLANNING COMMISSION. IF THE MATERIAL SITE IS ONE ACRE OR LESS IN SIZE AND HAS BEEN GRANTED A CLUP DUE TO EXCAVATION IN THE WATER TABLE, RECLAMATION MUST BE PERFORMED AS SPECIFIED BY THE PLANNING COMMISSION OR PLANNING DIRECTOR IN THE CONDITIONAL USE OR COUNTER PERMIT] within the time period approved with the reclamation plan so as to leave the land in a stable condition. Bonding shall be required at \$2,000.00 per acre for all

acreage included in the current five-year reclamation plan. In the alternative, the planning director may accept a civil engineer's estimate for determining the amount of bonding. If the applicant is bonded with the state, the borough's bonding requirement is waived. Compliance with reclamation plans shall be enforced under KPB 21.50.

- C. The following measures must be considered in the [PREPARING] preparation, approval and [IMPLEMENTING] implementation of the reclamation plan, although not all will be applicable to every reclamation plan.
1. Topsoil that is not promptly redistributed to an area being reclaimed will be separated and stockpiled for future use. [THIS MATERIAL WILL BE PROTECTED FROM EROSION AND CONTAMINATION BY ACIDIC OR TOXIC MATERIALS AND PRESERVED IN A CONDITION SUITABLE FOR LATER USE.]
  2. The area will be backfilled, graded and recontoured using strippings, overburden, and topsoil [TO A CONDITION THAT ALLOWS FOR THE REESTABLISHMENT OF RENEWABLE RESOURCES ON THE SITE WITHIN A REASONABLE PERIOD OF TIME. IT WILL BE STABILIZED TO A CONDITION THAT WILL ALLOW SUFFICIENT MOISTURE FOR REVEGETATION] so that it will be stabilized to a condition that will allow for the revegetation as required by KPB 21.29.060(B).
  3. [SUFFICIENT QUANTITIES OF STOCKPILED OR IMPORTED TOPSOIL WILL BE SPREAD OVER THE RECLAIMED AREA TO A DEPTH OF FOUR INCHES TO PROMOTE NATURAL PLANT GROWTH THAT CAN REASONABLY BE EXPECTED TO REVEGETATE THE AREA WITHIN FIVE YEARS. THE APPLICANT MAY USE THE EXISTING NATURAL ORGANIC BLANKET REPRESENTATIVE OF THE PROJECT AREA IF THE SOIL IS FOUND TO HAVE AN ORGANIC CONTENT OF 5% OR MORE AND MEETS THE SPECIFICATION OF CLASS B TOPSOIL REQUIREMENTS AS SET BY ALASKA TEST METHOD (ATM) T-6.] The [MATERIAL] topsoil used for reclamation shall be reasonably free from roots, clods, sticks, and branches greater than 3 inches in diameter. Areas having slopes greater than 2:1 require special consideration and design for stabilization by a licensed engineer.
  4. Exploration trenches or pits will be backfilled. Brush piles and unwanted vegetation shall be removed from the site, buried or burned. Topsoil and other organics will be spread on the backfilled surface to inhibit erosion and promote natural revegetation.
  5. [PEAT AND T]Topsoil mine operations shall ensure a minimum of [TWO] four inches of suitable growing medium is left or replaced on the site upon completion of the reclamation activity (unless otherwise authorized).
  6. Ponding may be used as a reclamation method as approved by the planning commission.
- D. The five-year reclamation plan shall describe the total acreage to be reclaimed [EACH YEAR, A LIST OF EQUIPMENT (TYPE AND QUANTITY) TO BE USED IN

RECLAMATION, AND A TIME SCHEDULE OF RECLAMATION MEASURES] relative to the total excavation plan.

**21.29.070. Permit extension and revocation.**

- A. Conditional land use permittees must submit a request in writing for permit extension every five years after the permit is issued. Requests for permit extension must be made at least 30 days prior to permit expiration. Counter permittees must submit any request for a 12-month extension at least 30 days prior to the expiration of the original 12-month permit period.
- B. A permit extension certificate for a CLUP may be granted by the planning director after 5 years, and after one year for a counter permit where no modification to operations or conditions are proposed.
- C. Permit extension may be denied if: (1) reclamation required by this chapter and the original permit has not been performed; (2) the permittee is otherwise in noncompliance with the original permit conditions; or (3) the permittee has had a permit violation in the last two years and has not fulfilled compliance requests.
- D. A modification application shall be processed pursuant to KPB 21.29.030-050 with public notice given as provided by KPB 21.25.060 when operators request modification of their permit conditions based on changes in operations set forth in the modification application.
- E. There shall be no fee for permit extensions approved by the planning director. The fee for a permit modification processed under KPB 21.29.070(D) will be the same as an original permit application in the amount listed in the most current Kenai Peninsula Borough Schedule of Rates, Charges and Fees.
- F. Failure to submit a request for extension will result in the expiration of the permit. The borough may issue a permit termination document upon expiration pursuant to KPB 21.29.080. Once a permit has expired, a new permit application approval process is required in order to operate the material site.
- G. Permits may be revoked pursuant to KPB 21.50. 21.29.080. - Permit termination.

When a permit expires, is revoked, or a permittee requests termination of their permit, a review of permit conditions and site inspections will be conducted by the planning department to ensure code compliance and verify site reclamation prior to termination. When the planning director determines that a site qualifies for termination, a termination document shall be issued to the permittee.

**21.29.090. Permit modifications.**

If a permittee revises or intends to revise operations (at a time other than permit extension) so that they are no longer consistent with the original application, a permit modification is required. The planning director shall determine whether the

revision to operations requires a modification. Permit modification shall be processed in the same manner as original permits.

**21.29.100. Recordation.**

All permits, permit extensions, modified permits, prior existing uses, and terminations shall be recorded. Failure to record a material site document does not affect the validity of the documents.

**21.29.110. Violations.**

- A. Violations of this chapter shall be governed by KPB 21.50.
- B. In addition to the remedies provided in KPB 21.50, the planning director may require bonding in a form and amount adequate to protect the borough's interests for an owner or operator who has been cited for three violations of KPB 21.50, 21.25, and 21.29 within a three-year period. The violations need not be committed at the same material site. Failure to provide requested bonding may result in permit revocation proceedings.

**21.29.120. Prior existing uses.**

- A. Material sites are not held to the standards and conditions of a CLUP if a prior existing use (PEU) determination was granted for the parcel in accordance with KPB 21.29.120(B). To qualify as a PEU, a parcel's use as a material site must have commenced or have been operated after May 21, 1986, and prior to May 21, 1996, provided that the subject use continues in the same location. In no event shall a prior existing use be expanded beyond the smaller of the lot, block, or tract lines as they existed on May 21, 1996. If a parcel is further subdivided after May 21, 1996, the pre-existing use may not be expanded to any lot, tract, or parcel where extraction had not occurred before or on February 16, 1999. If a parcel is subdivided where extraction has already occurred, the prior existing use is considered abandoned, and a CLUP must be obtained for each parcel intended for further material site operations. The parcel owner may overcome this presumption of abandonment by showing that the subdivision is not inconsistent with material site operation. If a parcel subject to a prior existing use is conveyed, the prior existing use survives the conveyance.
- B. Owners of sites must have applied to be registered as a prior existing use prior to January 1, 2001.
- C. [ANY PRIOR EXISTING USE THAT HAS NOT OPERATED AS A MATERIAL SITE BETWEEN MAY 21, 1996, AND MAY 21, 2011, IS CONSIDERED ABANDONED AND MUST THEREAFTER COMPLY WITH THE PERMIT REQUIREMENTS OF THIS CHAPTER. THE PLANNING DIRECTOR SHALL DETERMINE WHETHER A PRIOR EXISTING USE HAS BEEN ABANDONED. AFTER GIVING NOTICE TO THE PARCEL OWNER THAT A PEU IS CONSIDERED ABANDONED, A PARCEL OWNER MAY PROTEST THE TERMINATION OF THE PEU BY FILING WRITTEN NOTICE WITH THE PLANNING DIRECTOR ON A FORM PROVIDED BY THE PLANNING DEPARTMENT.

WHEN A PROTEST BY A PARCEL OWNER IS FILED, NOTICE AND AN OPPORTUNITY TO MAKE WRITTEN COMMENTS REGARDING PRIOR EXISTING USE STATUS SHALL BE ISSUED TO OWNERS OF PROPERTY WITHIN A ONE-HALF MILE RADIUS OF THE PARCEL BOUNDARIES OF THE SITE. THE OWNER OF THE PARCEL SUBJECT TO THE PRIOR EXISTING USE MAY SUBMIT WRITTEN INFORMATION, AND THE PLANNING DIRECTOR MAY GATHER AND CONSIDER ANY INFORMATION RELEVANT TO WHETHER A MATERIAL SITE HAS OPERATED. THE PLANNING DIRECTOR MAY CONDUCT A HEARING IF HE OR SHE BELIEVES IT WOULD ASSIST THE DECISION-MAKING PROCESS. THE PLANNING DIRECTOR SHALL ISSUE A WRITTEN DETERMINATION WHICH SHALL BE DISTRIBUTED TO ALL PERSONS MAKING WRITTEN COMMENTS. THE PLANNING DIRECTOR'S DECISION REGARDING TERMINATION OF THE PRIOR EXISTING USE STATUS MAY BE APPEALED TO THE PLANNING COMMISSION WITHIN 15 DAYS OF THE DATE OF THE NOTICE OF DECISION.]

The owner of a material site that has been granted a PEU determination shall provide proof of compliance with AS 27.19.030 – 050 concerning reclamation to the planning department no later than July 1, 2021. The proof shall consist of an Alaska Department of Natural Resources (DNR) approved reclamation plan and receipt for bonding or a letter of intent filed with DNR.

1. The planning department may request proof of continued compliance with AS 27.19.030 – 050 on an annual basis.
2. Pursuant to KPB 21.29.110 the enforcement process and remedies set forth in KPB 21.50 shall govern if the proof that the statutory requirements contained in AS 27.19.030-050 is not provided to the planning department.

**SECTION 3.** That KPB 21.50.055 is hereby amended, as follows:

**21.50.055. Fines.**

- A. Following are the fines for violations of this title. Each day a violation occurs is a separate violation. Violations begin to accrue the date the enforcement notice is issued and continue to the date the enforcement is initially set for hearing. The fine for a violation may not be reduced by the hearing officer to less than the equivalent of one day's fine for each type of violation.



| Code Chapter & Section | Violation Description  | Daily Fine |
|------------------------|--|------------|
| KPB 20.10.030(A)       | Offering land for sale without final plat approval   | \$300.00   |
| KPB 20.10.030(B)       | Filing/recording unapproved subdivision/plat   | \$300.00   |
| KPB 20.10.030(C)       | Violation of subdivision code or condition   | \$300.00   |
| KPB 21.05.040(C)       | Violation of variance conditions   | \$300.00   |
| KPB 21.06.030(D)       | Structure or activity prohibited by KPB 21.06  | \$300.00   |
| KPB 21.06.040          | Failure to obtain a Development Permit/Floodplain Management   | \$300.00   |
| KPB 21.06.045          | Failure to obtain a SMFDA Development Permit/Violation of SMFDA permit conditions/Floodplain Management                      | \$300.00   |
| KPB 21.06.050          | Violation of permit conditions/Floodplain Management   | \$300.00   |
| KPB 21.18.071          | Failure to obtain staff permit/Violation of staff permit/Anadromous Streams Habitat Protection                               | \$300.00   |
| KPB 21.18.072          | Failure to obtain limited commercial activity permit/Violation of permit conditions/Anadromous Streams Habitat Protection    | \$300.00   |
| KPB 21.18.075          | Prohibited use or structure/Anadromous Streams Habitat Protection  | \$300.00   |
| KPB 21.18.081          | Failure to obtain Conditional Use Permit/Violation of Conditional Use Permit Condition/Anadromous Streams Habitat Protection | \$300.00   |
| KPB 21.18.090          | Failure to obtain prior existing use/structure permit/Violation of permit conditions/Anadromous Streams Habitat Protection   | \$300.00   |
| KPB 21.18.135(C)       | Violation of emergency permit conditions/anadromous stream habitat protection  | \$300.00   |

|                      |  |                 |
|----------------------|--|-----------------|
| KPB 21.25.040        | Failure to Obtain a Permit/Material Site/Correctional community residential center/Concentrated Animal Feeding Operation     | \$300.00        |
| KPB 21.28.030        | Violation of permit conditions/Concentrated Animal Feeding Operations  | \$300.00        |
| KPB 21.29.020        | Failure to Obtain a counter permit/Material Site Permits   | \$300.00        |
| KPB 21.29.050        | Violation of Conditional Land Use Permit Conditions/Material Site Permits<br>Also applies to KPB 21.26 material site permits | \$300.00        |
| KPB 21.29.060        | Violation of Reclamation Plan/Material Site Permits<br>Also applies to KPB 21.26 material site permits                       | \$300.00        |
| <u>KPB 21.29.120</u> | <u>Failure to Provide Reclamation Plan and Proof of Bonding or Letter of Intent</u>  | <u>\$300.00</u> |
| KPB 21.44.100        | Violation of Pre-existing structures/Local Option Zoning   | \$300.00        |
| KPB 21.44.110(D)     | Prohibited expansion of nonconforming use/Local Option Zoning  | \$300.00        |
| KPB 21.44.110(E)     | Prohibited Change in Use/Local Option Zoning   | \$300.00        |
| KPB 21.44.110(G)     | Violation of Conditions on Nonconforming Use/Local Option Zoning   | \$300.00        |
| KPB 21.44.130(C)(D)  | Violation of Home Occupation Standards and Conditions/Local Option Zoning  | \$300.00        |
| KPB 21.44.130(F)     | Disallowed Home Occupation/Local Option Zoning   | \$300.00        |
| KPB 21.44.135        | Failure to file development notice   | \$300.00        |
| KPB 21.44.160(A)(B)  | Prohibited use   | \$300.00        |
| KPB 21.44.160(C)     | Violation of Development Standards/Single Family Zoning/Local Option Zoning  | \$300.00        |
| KPB 21.44.165(A)(B)  | Prohibited use   | \$300.00        |

|                     |   |            |
|---------------------|---|------------|
| KPB 21.44.165(C)    | Violation of Development Standards/Small Lot Residential Zoning/Local Option Zoning   | \$300.00   |
| KPB 21.44.170(A)(B) | Prohibited use  | \$300.00   |
| KPB 21.44.170(C)    | Violation of Development Standards/Rural Residential District/Local Option Zoning   | \$300.00   |
| KPB 21.44.175(B)(C) | Prohibited Use  | \$300.00   |
| KPB 21.44.175(D)    | Violation of Development Standards/Residential Waterfront   | \$300.00   |
| KPB 21.44.180(A)(B) | Prohibited Use  | \$300.00   |
| KPB 21.44.180(C)    | Violation of Development Standards/Multi-Family Residential District/Local Option Zoning  | \$300.00   |
| KPB 21.44.190(A)(B) | Prohibited Use  | \$300.00   |
| KPB 21.44.190(C)    | Violation of Development Standards/Industrial District/Local Option Zoning  | \$300.00   |
| KPB 21.46.030(b)    | Failure to maintain bear-resistant garbage cans/Local option zone/Birch and Grove Ridge subdivisions Rural Residential District | \$300.00   |
| KPB 21.50.100(F)    | Removal of posted enforcement notice  | \$300.00   |
| KPB 21.50.100(G)    | Violation of enforcement notice   | \$1,000.00 |
| KPB 21.50.130(I)    | Violation of an enforcement order   | \$1,000.00 |

**SECTION 4.** That this ordinance shall become effective upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

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Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Planning Department

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## MEMORANDUM

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

**THRU:** Charlie Pierce, Mayor *JCB*

**FROM:** Max Best, Planning Director *MB*

**DATE:** October 24, 2019

**RE:** Ordinance 2019-30, Amending KPB 21.29, KPB 21.25, and KPB 21.50.055 Regarding Material Site Permits, Applications, Conditions, and Procedures (Mayor)

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KPB 21.25.040 requires a permit for the commencement of certain land uses within the rural district of the Kenai Peninsula Borough. KPB Chapter 21.29 is the material site permit code.

Approximately 253 registered prior existing use material sites and approximately 99 conditional land use permits for material sites have been granted since 1996. The planning commission and planning department received comments expressing concerns about dust, noise, and aesthetics. The planning department receives numerous complaints regarding unreclaimed parcels registered as nonconforming prior existing material sites which have not been regulated by KP.B.

The assembly established a Material Site Work Group (MSWG) by adoption of resolution 2018-004 (Substitute) to engage in a collaborative discussion involving the public and industry to make recommendations regarding the material site code. The MSWG submitted a final report to the assembly recommending the majority of code changes found in this ordinance. In addition, the borough's planning commission recommended changes, most of which are contained in this ordinance. The ordinance places certain additional conditions on material site permits that would facilitate a reduction in the negative secondary impacts of material sites, e.g. dust, noise, and unsightliness of material sites.

Your consideration of this ordinance is appreciated.

# Kenai Peninsula Borough Legal Department

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## MEMORANDUM

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

THRU: Charlie Pierce, Mayor

FROM: Sean Kelley, Deputy Borough Attorney  
Max Best, Planning Director

DATE: October 24, 2019

RE: Material Site Sectional Analysis

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Please find following a sectional analysis of the amendments to the material site ordinance proposed by the Kenai Peninsula Borough Planning Commission.

1. In KPB 21.25.030. - Definitions.

A definition of "assisted living home" is added because a setback is proposed to be required from those facilities. A definition for "development plan" is added to support a new exemption from the material site ordinance that allows extraction for on-site development. A definition of "disturbed" is added and the definition of "exhausted" is eliminated. This change is made to avoid the situation where reclamation is delayed or avoided by asserting a material site is not yet exhausted, instead reclamation is in reference to disturbed areas. The term "disturbed" is also consistent with the state of Alaska reclamation language. A definition of "haul route" is added to support the proposed requirement for off-site dust suppression. A definition of "permit area" is added—this clarifies that a portion of a parcel, as opposed to an entire parcel, may be subject to a material site permit and defines what attributes will be considered part of the permitted area. A definition of "vicinity" is added to include all existing uses within the ½-mile notification area. This defines the area that should be considered when waiving or lessening the conditions on the permit.

2. KPB 21.29.010. -Material extraction exempt from obtaining a permit.

Subsection (D) adds a new exemption for parcels with a development plan on file with the planning department. This provision exempts from the ordinance short-term extraction that is incidental to site development for a building project.

3. KPB 21.29.030. -Application procedure.

Surface water protection measures are moved from the site plan section of the application to Paragraph (A)(8) because a surveyor is required to prepare the site plan, but an engineer is necessary to design the surface water protection measures.

Paragraph (A)(9)(f) is clarified to require more than 1 test hole placed anywhere on the parcel as that requirement allowed for taking the test hole at the highest elevation on a parcel which may not be the most accurate measurement of depth to groundwater. The proposed ordinance requires a test hole for every ten acres of excavated area and the test holes must be four feet below the proposed depth of excavation. This is consistent with the proposed increased requirement that excavation remain four feet above ground water which is consistent with Alaska DEC User's Manual Best Management Practices for Gravel/Rock Aggregate Extraction Projects – Protecting Surface Water & Groundwater Quality in Alaska (Sept. 2012) (hereinafter "Best Management Practices") and is also consistent with the current requirement for counter permits.

4. KPB 21.29.040. -Standards for sand, gravel or material sites.

Three new standards are added that either existing or proposed conditions will meet. Receiving waters are protected for fish and wildlife. This standard is consistent with mandatory condition #6 which requires a setback from waterbodies for material site extraction. Standard #8 is added to protect against traffic impacts which is consistent with the conditions regarding damage to borough roads, proposed ingress and egress, noise, and dust. Standard #9 is added because planning decisions should be consistent with the comprehensive plan.

5. KPB 21.20.050(A)(1) is changed to require staking the permit boundaries, rather than the parcel boundaries prior to issuance of the permit. (Staking the boundaries of the parcel is currently required at time of application.)
6. KPB 21.20.050(A)(2) is changed to require a maximum buffer of 100 feet unless the operator can demonstrate to the planning commission that there are good reasons for a reduced buffer. A fence, vegetation, or berm or a combination thereof may be used as a buffer. Unlike the current code, the maximum vegetative buffer is not 50 feet but could be up to the entire 100 foot of buffer required. Another new requirement is that when a buffer area has been denuded prior to review of the application by the planning commission or planning director revegetation may be required. This is to avoid the practice of making application and then destroying the vegetation that could have served as a buffer. Finally, there is a new condition allowing the buffer to be reduced with an approved alternate buffer plan which may consist of a berm, vegetation, fence or other type of buffer solution. For example, a moveable wall that would screen noise and the visual impact of the material site could be allowed.
7. Language is revised in KPB 21.29.050(A)(3) for consistency by using the term "vicinity" rather than the term "adjacent".
8. In KPB 21.20.050(A)(6) the buffer from waterbodies is increased to 200 feet. This condition is consistent with the Alaska DEC User Manual Best Management Practices and the newly proposed standard regarding the protection of "receiving waters".
9. Paragraph KPB 21.29.050(A)(11) is revised to prohibit processing from 7 p.m. to 6 a.m. The current prohibition is 10 p.m. to 6 a.m. for rock crushing. Paragraph (b) is added to allow the planning commission to grant exceptions to the restrictions on processing hours based on a variety of factors including surrounding land uses, topography, screening the material site from adjacent properties and conditions placed on the permit by the planning commission to mitigate the noise, dust, and visual impacts caused by the material site.
10. Paragraph KPB 21.29.050(A)(12)(b) clarifies the requirement for a reclamation plan and bonding for material sites that are not exempt from the state bonding requirements. This condition is further detailed in KPB 21.29.060(B) addressing reclamation.



11. Air quality is added to the list of other regulations in condition KPB 21.29.050(A)(13) that a material site is responsible for following.
12. Language is revised in KPB 21.29.050(A)(14) for consistency by using the term "volunteered" rather than the term "voluntary".
13. In KPB 21.29.050(A)(16), a new condition clarifies that a material site permit shall not be issued until the 15-day appeal period has passed to avoid someone operating prior to an appeal being filed only to be required to cease because of the stay required by KPB 21.20.260.
14. A new condition is added in KPB 21.29.050(A)(17), Sound Level. The condition requires that sound levels from material site activities not exceed 75 dB(A), measured at or within the property boundary of the material site. Some exceptions are made to increase that limit for sound of a short duration between 7 a.m. and 7 p.m. The planning commission may reduce the sound level requirements in consideration of the existing land uses in the vicinity. This sound level requirement has a sunset clause of 365 days after adoption unless extended by the assembly in order to gather information on noise levels and ensure that this new requirement is workable for site operations. This condition meets the standard regarding reduction of noise impacts generated by a material site.
15. KPB 21.29.050(A)(18) is a new requirement that white noise devices be used instead of high-pitched tone alarms. This requirement may be waived based on existing land uses in the vicinity of the material site. This condition meets the standard regarding reduction of noise impacts generated by a material site.
16. KPB 21.29.050(A)(19) is a new condition allowing the planning commission or planning director as appropriate to determine the points of ingress and egress of a material site as concerns regarding the direction of haul route traffic are frequently raised. Driveway authorizations for access to public roads must be received prior to permit issuance. This condition meets the standards regarding traffic, noise, and dust.
17. KPB 21.29.050(A)(20) is a new condition requiring dust suppression on haul routes. The condition can be relaxed based on surrounding land uses. This condition meets the standard regarding reduction of dust generated by material sites.

18. KPB 21.29.050(A)(21) provides that if surface water protection measures are to be provided as defined in KPB 21.29.030(A)(8), they must be approved by a licensed civil engineer.
19. KPB 21.29.050(A)(22) is a new condition requiring material sites to maintain one monitoring tube per ten acres of excavated area four feet below the proposed excavation. This condition is consistent with the new requirement that excavation remain four feet above groundwater. This condition addresses the standard of protection of surrounding water sources.
20. KPB 21.29.050(A)(23) is a new requirement for a setback from local option zoning districts, schools, child care facilities, senior centers, assisted living homes and licensed health care facilities.
21. KPB 21.20.055, Decision, is added which clarifies the planning commission's authority to approve or disapprove a permit application and authority to modify permit conditions.
22. KPB 21.29.060 is amended to clarify that reclamation plans last for five years consistent with the five-year renewal requirement for material site permits. Bonding is required at \$2000.00 per acre for all acreage included in the five-year reclamation plan, or the planning director may accept a civil engineer's estimate for determining the amount of the bond. If the applicant is bonded with the state, the applicant need not be bonded with the borough.
23. KPB 21.29.120, Prior Existing Uses, is amended to delete the provision regarding terminating abandoned material site permits since it was only applicable to permits that did not operate between May 21, 1996 and May 21, 2011. New language is added requiring PEUs to provide proof of compliance with the state reclamation, bonding, and letter of intent requirements. Failure to file this documentation may result in an enforcement action.
24. KPB 21.50.055, Fines, is amended to include a \$300.00 fine for failure to provide a reclamation plan and proof of bonding or letter of intent pursuant to KPB 21.29.120.

Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-31**

**AN ORDINANCE ADOPTING THE UPDATED 2019 KENAI PENINSULA BOROUGH  
HAZARD MITIGATION PLAN AND REMOVING THE WORD “ALL” FROM  
KPB 2.80.010**

**WHEREAS,** the Kenai Peninsula Borough is vulnerable to damages from natural hazard events which pose a threat to public health and safety and could result in property loss and economic hardship; and

**WHEREAS,** the KPB Hazard Mitigation Plan (“Plan”), formally titled All-Hazard Mitigation Plan, recommends actions to protect people and property at risk from natural and man-made hazards that will reduce future public and personal costs of disaster response and recovery, and will reinforce the borough’s leadership in emergency preparedness efforts; and

**WHEREAS,** the assembly initially adopted the Plan in 2004 and subsequently adopted updated Plans in July 2010 and June 2014; and

**WHEREAS,** the Federal Emergency Management Agency (“FEMA”) disaster recovery funding and grant programs require regular updates to the mitigation plans; and

**WHEREAS,** the 2019 Plan has been updated to meet FEMA’s requirements through the work of the KPB Planning Department and the State of Alaska Division of Homeland Security & Emergency Management; and

**WHEREAS,** the word “all” is being removed from KPB 2.80.010 in recognition that the plan does not and cannot cover all possible hazards; and

**WHEREAS,** the planning commission held a public hearing on this ordinance at its August 12, 2019 meeting and recommended approval by unanimous consent;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That KPB 2.80.010 is hereby amended as follows:

**2.80.010. Adoption of [ALL-] hazard mitigation plan.**

The document entitled Kenai Peninsula [ALL-H]Hazard Mitigation Plan which includes the Interagency All Lands/All Hands Action Plan is hereby adopted as the [ALL-] hazard mitigation plan for the Kenai Peninsula Borough. The mayor is authorized to make administrative changes to these plans provided the assembly shall be advised of all such changes.

**SECTION 2.** That this ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2019.**

\_\_\_\_\_  
Wayne H. Ogle, Assembly President

ATTEST:

\_\_\_\_\_  
Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Community & Fiscal Projects

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## MEMORANDUM

**TO:** Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*  
Dan Nelson, OEM Senior Manager *JBL/S*  
Max Best, Planning Director *MB*

**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager *BA*

**DATE:** October 24, 2019

**RE:** Ordinance 2019- 31. Adopting the Updated 2019 Kenai Peninsula Borough All-Hazard Mitigation Plan and Removing the Word "All" from KPB 2.80.010 (Mayor)

---

In October 2004, the Kenai Peninsula Borough ("KPB") enacted ordinance 2004-33, adopting a borough-wide multi-jurisdictional All-Hazard Mitigation Plan ("Plan"). The Plan was subsequently updated in 2010 by assembly enactment of ordinance 2010-26 and again in 2014 by enactment of ordinances 2014-03 and 2014-22 to include the Seward-Bear Creek Flood Service Area Annex I. The 2019 update of the Plan was reviewed by FEMA Region X, which required additional modifications for the borough to be eligible to make applications through FEMA hazard mitigation grant programs. These modifications are included in the proposed 2019 updated Plan and will be submitted to FEMA for approval following assembly adoption.

Additionally, this ordinance would amend code to remove the word "All" from KPB 2.80.010. The proposed code amendment is made to better reflect the borough's intent and recognition that the Plan does not and cannot cover all possible hazards.

The purpose of this hazard mitigation planning effort is twofold: (1) As a viable tool for reducing community vulnerability to disaster loss and damage; and, (2) as a prerequisite for receiving certain types of future federal and state hazard mitigation funding.

The KPB cooperated and coordinated the 2019 update with the Alaska Division of Homeland Security and Emergency Management.

Page -2-  
October 24, 2019  
Re: O2019- 31

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The Plan is available for review at the borough clerk's office and also online through the planning department's web page under hot topics at:

[https://www.kpb.us/images/KPB/PLN/PlansReports/Hazard Mitigation Plan - Review Draft 2018.pdf](https://www.kpb.us/images/KPB/PLN/PlansReports/Hazard_Mitigation_Plan_-_Review_Draft_2018.pdf)

The planning commission held a hearing on this ordinance at its August 12, 2019, meeting and recommended approval by unanimous consent.

Approval of this ordinance would be appreciated.

Introduced by: Mayor  
Date: 11/05/19  
Hearing: 12/03/19  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2019-32**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN OPERATING  
AGREEMENT WITH SOUTH PENINSULA HOSPITAL, INC. FOR  
SOUTH PENINSULA HOSPITAL AND OTHER MEDICAL FACILITIES**

**WHEREAS**, South Peninsula Hospital, Inc. (“SPHI”), a private non-profit corporation, has operated South Peninsula and associated medical facilities pursuant to a series of agreements with the borough, the most recent of which is a six-year agreement that expires December 31, 2019; and

**WHEREAS**, the borough administration and members of the SPHI board and administration have met and negotiated mutually agreeable changes to the previous agreement, and have tentatively agreed upon an Operating Agreement which the parties believe addresses the borough’s and SPHI’s concerns with the existing contract; and

**WHEREAS**, at its meeting of \_\_\_\_\_, 2019, the South Kenai Peninsula Hospital Service Area Board recommended \_\_\_\_\_;

**WHEREAS**, at its meeting of \_\_\_\_\_, 2019, the SPHI board of directors recommended \_\_\_\_\_; and

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The assembly finds that entering into the proposed Operating Agreement with SPHI, in which SPHI agrees to operate the South Peninsula Hospital and other medical facilities for ten years, and to lease them from the borough for one dollar per year, is in the best interest of the borough because SPHI 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.

**SECTION 2.** The Operating Agreement draft, effective January 1, 2020, to be entered between SPHI and the borough on behalf of the South Kenai Peninsula Hospital Service Area, a copy of which is attached and incorporated herein by reference, is approved. The mayor is authorized to execute an Operating Agreement substantially in the form of

the attached approved draft and to take such actions as are necessary to implement its terms and conditions.

**SECTION 3.** The provisions of KPB 17.10.240, containing general terms and conditions for standard borough leases, shall not apply to leases associated with the attached Operating Agreement and the associated subleases or leases.

**SECTION 4.** This ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \* 2019.**

---

Kelly Cooper, Assembly President

ATTEST:

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Johni Blankenship, MMC, Borough Clerk

Yes:

No:

Absent:



# Kenai Peninsula Borough

## Office of the Mayor

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### MEMORANDUM

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

**THRU:** Charlie Pierce, Borough Mayor *JCB*  
James Baisden, Chief of Staff *JCB*

**FROM:** Colette Thompson, Borough Attorney *CT*  
Brandi Harbaugh, Finance Director *BH*  
Kim Saner, Human Resources Director *KS*  
John Hedges, Purchasing and Contracting Director *JH*

**DATE:** October 24, 2019

**SUBJECT:** Ordinance 2019-32, Approving an Operating Agreement with South Peninsula Hospital, Inc. for South Peninsula Hospital and Other Medical Facilities (Mayor)

---

The borough administration and South Peninsula Hospital, Inc. ("SPHI") representatives have negotiated a new operating agreement for South Peninsula Hospital and other medical facilities. Following is a summary of the most significant changes to the existing contract with SPHI. Many of the changes align this agreement with the Central Peninsula Hospital, Inc. Operating Agreement which is expected to ease the borough's efforts to administer both agreements and provide SPHI with more flexibility. It also provides SPHI with clearer reporting requirements by listing them in a separate paragraph. Further, it provides for regular communications with the borough administration and departments.

1. The title of the document was changed from "Lease and Operating Agreement" to "Operating Agreement". Modifications were made throughout the document to reflect this change. In the past, the term "Lease" in the title has resulted in legal concerns with obtaining bond financing due to the strict limitations on private use of tax exempt bond financing. The title was also changed as it is in fact an agreement to operate the medical facilities. While the borough continues to lease or sublease property to SPHI for the nominal sum of \$1 per year, all revenues and expenditures of SPHI under this agreement are an enterprise fund of the borough.
2. Paragraph 4, Term. The new agreement includes a ten-year term, which is four years longer than the expiring six-year agreement. It was increased to address concerns about difficulties recruiting and retaining qualified administrative staff and service providers under a shorter term

October 24, 2019

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Re: O2019-32, South Peninsula Hospital Operating Agreement

agreement. It provides for a five-year renewal instead of a ten-year renewal if no notice of termination is given one year before the ten-year term expires. This is the same length as the current Operating Agreement with Central Peninsula Hospital, Inc.

3. Paragraph 6, Communications with the Borough. New notification and communication requirements were added, including making reasonable efforts to meet at least quarterly with the borough administrator, providing new annual information and other notifications.
4. Paragraph 8, Taxes; Cooperation on Bond Financing, Tax Exempt Status; Safe Harbor Compliance. Additional subparagraphs were added to address concerns about bond financing, tax-exempt status, and safe harbor compliance.
5. Paragraph 9(c), Purchasing Procedures was modified to remove the requirement that the borough contract administrator approve all changes to SPHI purchasing policies. The new language requires that SPHI establish and follow competitive procedures, that copies of all updated policies related to purchasing are provided to the borough annually, and that the purchasing policies are publicly available.
6. Paragraph 10, Annual List Reporting Requirements. This new section was added to improve communication between SPHI and the borough. On or before March 1st of each year, SPHI must provide an updated annual list including capital infrastructure assets; major movable equipment assets (e.g. MRIs, CTs, etc.); all current SPHI real property leases; all updated purchasing policies; all maintenance projects, capital projects, and equipment purchases planned for the next year, and a report describing SPHI's risk management program.
7. Paragraph 11, Maintenance and Repair. The previous agreement did not clearly define maintenance and repair projects. The new agreement defines both "Minor" and "Major" Maintenance based on the American Hospital Association estimated useful life of the asset. All Major Maintenance must be approved by the borough contract administrator, and SPHI is required to notify the borough of Minor Maintenance Projects exceeding \$100,000. For example, replacing a large stretch of lights would be considered Minor Maintenance and not require borough approval if it cost more than \$100,000 because of the type of work performed. However, if this project cost \$100,000 or more, advance notification would still be required.
8. Paragraph 12, Major Movable Equipment Purchases. A new section was added addressing Major Movable Equipment Purchases such as

October 24, 2019

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Re: O2019- 32, South Peninsula Hospital Operating Agreement

diagnostic equipment. The new section requires reporting all such purchases costing more than \$250,000, and assembly approval for purchases costing more than \$500,000 or requiring a Certificate of Need.

9. Paragraph 13, Capital Improvement Projects. The capital improvement project section was revised to spell out communication and reporting requirements throughout the capital project process. Additionally, the thresholds for projects requiring assembly approval were raised. Under the new agreement, all capital improvement projects costing \$500,000 or more that were not previously appropriated, require assembly approval and appropriation. Contract administrator approval is needed for certain projects below that threshold, such as leasehold improvements costing \$100,000 or more.
10. Paragraph 14, Real Property Acquisitions and Leases. A new section was added to clarify the requirements for real property acquisitions. All real property acquisitions, defined as acquiring any interest in real property that may obligate the borough in any way, require approval by the assembly. Further, the process of acquiring these properties will be led by the borough.

Leases in the name of SPHI as Lessee that do not obligate the borough in any way are not subject to these requirements. However, any such leases costing \$100,000 or more annually do require borough approval. For example, a storage space rented in the name of SPHI for \$10,000 annually would need to be reported to the borough, but does not require approval. Additionally, the cumulative annual cost of all such leases is capped at \$400,000. Increases to the cap require assembly approval.

11. Paragraph 15, Subleases of Medical Facilities. A new section was added to address subleases to third parties. Previously, the contract required borough approval of all such subleases. The new section authorizes SPHI to negotiate subleases under specific conditions, including giving advance notice to the borough contract administrator before executing the lease, the lease being in furtherance of the purposing of the Agreement, and the lease being at fair market value. Leases of \$250,000 or more per year require approval by the contract administrator. Any sublease of the hospital property owned by the City of Homer and leased by the borough will require approval by the City of Homer.
12. Paragraph 16, Finances. This paragraph was revised to clarify that all transfers from the Plant Replacement and Expansion Fund (PREF) require appropriation by the assembly. While PREF funds cannot be spent

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Re: O2019- 32, South Peninsula Hospital Operating Agreement

without appropriation, the SPHI Operating Reserve can be spent in accordance with this agreement. The Operating Reserve may hold up to "90 days' cash-on-hand".

13. Paragraph 17, Performance Measures. This section requires objective standards to be identified in the SPHI Strategic Plan against which SPHI performance will be measured. It also requires SPHI to prepare a Strategic Plan within the first 12 months of the agreement, maintain certification and staffing requirements, funding requirements for the now grandfathered pension plan, and processes to be followed to address problems if performance consistently does not meet the standards.
14. Paragraph 18, Accounting/Audit/Reporting. Subparagraph (c), Audit was revised to require the auditors to give presentations to the assembly as well as the SPHI board and Service Area Board. Subparagraph (e) Hospital Executive Incentive Plan was added to ensure access to incentive plan information that may be needed for bond financing compliance purposes.
15. Paragraph 21, Defense and Indemnification. A defense and indemnification clause to protect the borough from liability for certain claims was added to the contract.
16. Paragraph 22, Risk Management. This provision was expanded clarify the objectives and reporting requirements for SPHI's risk management program.
17. Paragraph 24, Level of Services and Other Business Activities. The approval requirements in subparagraph (b) Expansion of Services/New Services were revised. The previous contract required prior notice of new or expanded services with a capital cost "in excess of \$100,000 on an annual basis". The revised contract requires assembly approval for all new or expanded services with an expected total capital cost in excess of \$250,000 and for all joint ventures.

As the health care landscape continues to change, the parties recognize that the hospital will need flexibility to adapt to a quickly evolving system, and that the borough will need avenues to remedy any concerns and to ensure the best interests of the borough and its residents are being met. Regular communication between the two entities, structured vehicles for feedback and updates, and increased authority for the hospital to make certain operational decisions are expected to accommodate these requirements.

Your consideration and approval would be appreciated.

**OPERATING**  
**AGREEMENT**

**FOR**

**SOUTH PENINSULA**  
**HOSPITAL**

**Effective January 1, 2020**

**Approved by Kenai Peninsula Borough Assembly**

**December \_\_, 2019 in Ordinance 2019-\_\_\_\_\_**

**Approved by South Peninsula Hospital, Inc. Board of Directors**

**\_\_\_\_\_, 2019**

**SOUTH PENINSULA HOSPITAL, INC.  
OPERATING AGREEMENT**

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**ATTACHMENTS**

Exhibit A. Description of Medical Facilities

Exhibit B. Example of Operating Statistics

Exhibit C. Memorandum of Agreement dated \_\_\_\_\_



## **OPERATING AGREEMENT**

THIS OPERATING AGREEMENT (“Agreement”) is made and entered into on this \_\_\_ day of \_\_\_\_\_, 2019, between the Kenai Peninsula Borough, an Alaska municipal corporation, hereinafter referred to as “Borough,” “KPB” or “Owner,” 144 N. Binkley Street, Soldotna, Alaska 99669, and South Peninsula Hospital, Inc., an Alaska nonprofit corporation, hereinafter referred to as “SPHI or “Operator,” 4300 Bartlett Street, Homer, Alaska 99603.

WHEREAS, the Borough established and the voters approved the South Kenai Peninsula Hospital Service Area, hereinafter referred to as the “Service Area,” to assure residents that hospital services would be provided within its boundaries; and

WHEREAS, through tax levies and revenues generated within that service area the Borough has leased, constructed and acquired healthcare facilities located in Homer, Alaska to meet the needs of the residents; and

WHEREAS, the Borough provides for the operation of South Peninsula Hospital and other facilities, hereinafter referred to as the “Medical Facilities,” through the authority granted by the voters of the South Kenai Peninsula Hospital Service Area; and

WHEREAS, the Medical Facilities have been administered by SPHI under a series of lease and operating agreements between the Borough and SPHI, the last of which expires on December 31, 2019; and

WHEREAS, the Borough and SPHI desire to enter into a new agreement for the management and operation of the Medical Facilities and for SPHI, operating as a non-profit corporation, to operate the Medical Facilities for nonprofit hospital purposes to ensure continued availability of health care services and facilities for Service Area residents and visitors, as authorized by KPB Ordinance 2019-\_\_\_\_ (approving execution and delivery of this Agreement); and

WHEREAS, the parties agree that SPHI shall endeavor to operate the Medical Facilities on a self-supporting basis while preserving the same or a better level of service as was previously provided to the residents of the Service Area; and

WHEREAS, the parties agree that the Borough shall retain all powers incident to ownership of the Medical Facilities;

NOW THEREFORE, in consideration of mutual covenants contained herein the parties agree as follows:

1. **PRIOR AGREEMENTS SUPERSEDED.** This Operating Agreement (“Agreement”) supersedes and replaces the existing Sublease and Operating Agreement with an effective date of January 1, 2014, and all other prior agreements concerning the use of the real property and improvements thereon described in this Agreement or the operation and management of any or all of the Medical Facilities, except for the Sublease Agreements described in paragraph 2.b and all amendments to those Agreements. In addition to compliance with this Agreement, SPHI covenants to continue to comply with those Agreements, which are integrated into this Agreement.

2. **AGREEMENT TO OPERATE AND MANAGE MEDICAL FACILITIES; AUTHORIZATION TO CONTINUE OTHER AGREEMENTS; LEASED FACILITIES.**

a. Agreement to Operate and Manage Medical Facilities. The Borough hereby contracts with SPHI to operate and manage the property described in attached Exhibit A, including all fixtures and appurtenances thereto (hereinafter referred to collectively as the “Medical Facilities”) for the term of this Agreement and any extension thereof for the Borough consistent with the terms and conditions of this Agreement.

b. Authorization to Continue Agreements for Certain Facilities. SPHI is hereby authorized to continue subleasing, managing and operating facilities under the following agreement subject to approval by the City of Homer:

Sublease Agreement between SPHI and Veteran’s Administration originally dated October 1, 2009 and amended September 27, 2019.

c. Leased Facilities. The Borough leases the property described in attached Exhibit A to SPHI for the term of this Agreement and any extension thereof. SPHI shall pay the Borough a lease payment in the sum of one dollar (\$1.00) per year to lease the property described in this Agreement. Such payment shall be due in full on or before the 1<sup>st</sup> day of January 2020 for the first 10-year period. If the contract is extended, the payment for the extended term shall be due and payable on January 1<sup>st</sup> of the first year of the new term.

The Borough warrants that it has good and marketable title to the Medical Facilities it owns free and clear and leases to SPHI as described in Exhibit A, paragraph a, subject only to encumbrances of record prior to the effective date of this Agreement.

The Parties further acknowledge that the sublease of the portion of property owned by the City of Homer, described in Exhibit A at paragraph a, to SPHI is subject to consent by the City of Homer, which consent may not be unreasonably withheld. The parties agree to cooperate in seeking such consent upon execution of this Agreement.

3. PROVISION OF SERVICES. SPHI agrees to operate and manage for the benefit of the Borough the Medical Facilities described in this Agreement. SPHI agrees that so long as this Agreement is in effect it will continuously operate and manage the Medical Facilities as a duly licensed hospital, skilled nursing facility, or health care facilities, as applicable, under Alaska licensing laws and in accordance with all applicable state and federal laws, regulations and rules governing hospitals, skilled nursing and other facilities as applicable, and in accordance with the terms and conditions of this Agreement. In addition, SPHI may provide any other health service and operate any other health facility for the Service Area, to the extent that such services and/or operations of other health facilities are authorized or otherwise approved as provided in paragraph 24.d of this Agreement.

All services provided by SPHI under the terms of this Agreement, excepting other SPHI business activities described in paragraph 24.d. of this Agreement, shall be limited in scope to the services that the Borough is legally authorized to provide through the Service Area.

If authorized, by the Borough and by law, these services may be provided either directly or by contract, and shall be provided in accordance with this Agreement and all applicable state and federal laws, regulations and rules governing such health services or health facilities. If SPHI enters into a contract with an independent contractor to be the exclusive provider of any program or service, then the contractor shall be required to comply with all applicable terms and conditions of this Agreement.

4. TERM. This Agreement shall be in effect from January 1, 2020, to and including December 31, 2029, unless terminated earlier in accordance with the provisions of this Agreement. By mutual agreement of the parties this Agreement may be extended for an additional period, not to exceed five years. If no notice of termination has been given or no agreement to extend has been signed before December 31, 2028, then a five-year extension of this term shall be deemed to have been agreed upon. The terms of the Agreement for the additional five-year extension period shall be the same as this Agreement, with all amendments, unless the parties negotiate new terms before the effective date of the extension, January 1, 2030, and document those new terms in writing.

5. NOTICES. All notices, reports or documents or other communications required or authorized to be given by one party to the other party to this Agreement shall be in writing and delivered personally or by depositing the same in the United States mail, postage prepaid, certified, return receipt requested, and addressed to the parties as hereinafter provided, or by either email or facsimile transmission (“fax”) with advance telephonic notice and a hard copy sent by first class mail:

FOR THE BOROUGH:  
Mayor  
Kenai Peninsula Borough  
144 N. Binkley Street  
Soldotna, AK 99669  
Email: [cpierce@kpb.us](mailto:cpierce@kpb.us)  
Fax # (907) 714-2377

FOR SPHI  
President, Board of Directors  
SPHI  
4300 Bartlett Street  
Homer, AK 99603  
Email: [dgroesbeck@sphosp.org](mailto:dgroesbeck@sphosp.org)  
Fax # (907) 235-0253

Notice shall be effective upon the date of personal delivery or, if mailed, upon the date of delivery as shown by certified receipt or, if sent via fax or email, upon the date of receipt of the fax or email. The Borough Mayor shall be responsible for forwarding any such notice, report or document to the South Kenai Peninsula Hospital Service Area Board (“SAB”), other interested Borough boards, Borough departments, or any other appropriate individual or agency for consideration or action. The President of SPHI shall be responsible for forwarding any such notice, report or document to the SPHI Board members, chief executive officer, or any other appropriate individual or agency for consideration or action.

6. COMMUNICATIONS WITH BOROUGH. SPHI shall provide the following information and reports to the Borough Contract Administrator, the SAB Chair and the Borough Finance Director:

a. A written monthly financial report which shall include a balance sheet, a statement of cash flow, an income statement, and operating statistics substantially in the form attached hereto as Exhibit B;

b. A written quarterly activity report, which shall include all the items as set forth in the monthly financial report, plus a statement of activities, issues and events, which shall in addition be orally presented by a representative of SPHI to the SAB and then to the Borough Assembly;

c. An Annual List complying with reporting requirements set forth in paragraph 10 of this Agreement; and

d. All other notifications in accordance with this Agreement.

In the event that SPHI is no longer required by the IRS to complete a publicly available Form 990, SPHI shall notify the borough in writing at the time of the change. The borough may then require additional reporting of relevant information previously available on Form 990. SPHI shall clearly identify all such information it considers to be proprietary or privileged or confidential. To the extent allowed by law, the Borough shall treat such information as proprietary, privileged or confidential.

Unless otherwise provided herein, (i) monthly reports shall be delivered within 60 days after the end of the month; (ii) quarterly reports shall be delivered within 60 days after the end of the quarter; and (iii) annual lists shall be delivered on or before March 1<sup>st</sup> of each year. Additionally, SPHI's representatives shall make reasonable efforts to meet at least quarterly with the Borough Contract Administrator to discuss any concerns by either party, the current status of ongoing projects and upcoming plans for the Medical Facilities. The parties recognize that such meetings are subject to the protections for records and information of SPHI's business plans as provided in this Agreement.

7. UTILITIES. SPHI shall be responsible for and ensure the payment of all the utilities necessary to operate the Medical Facilities, including, but not limited to: electricity, heat, water, sewer service, garbage collection, snow removal and sanding, and telephone/internet service.

8. TAXES; COOPERATION ON BOND FINANCING; TAX-EXEMPT STATUS; SAFE HARBOR COMPLIANCE.

a. Taxes. SPHI shall be responsible for and shall ensure payment before delinquency all governmental taxes, assessments, charges or liens assessed during the term of this Agreement against any leasehold interest or property of any kind or income or sales of any kind by SPHI related to this Agreement.

b. Cooperation on Bond Financing. SPHI acknowledges that the Borough has issued, and may issue bonds during the term of this Agreement (together, the "Municipal Bonds"), the proceeds of which have been, or may be, used to finance component parts of the Medical Facilities. The Borough has, and may in the future, determined to issue such Municipal Bonds on a tax-exempt basis pursuant to the Internal Revenue Code of 1986, as amended from time to time (the "Code"). As a means to ensure Municipal Bonds issued by the Borough on a tax-exempt basis remain tax exempt under the Code, SPHI agrees to cooperate with the Borough to ensure compliance with all rules and regulations applicable to such Municipal Bonds, including the Code, Treasury Regulations, revenue procedures and or other written rulings of the Internal Revenue Service and relating to permitted management contracts, including Rev. Proc. 2017-13 (if applicable), as the same may be modified, amplified, superseded, and interpreted by the courts and Internal Revenue Service. Such cooperation by SPHI may include certifications and opinions related to the management and operation of bond-financed component parts of the Medical Facilities.

c. Tax-Exempt Status. SPHI shall not take any action which would endanger its ability to obtain and maintain its status as an organization exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor or similar provision. SPHI covenants that it will not operate

the Medical Facilities in any way or engage in any activity that might reasonably be expected to cause any of the Borough bonds to lose their tax-exempt status, both existing Municipal Bonds and Municipal Bonds that may later be issued during the term of this Agreement.

d. Safe Harbor Compliance. The parties intend this Agreement be construed as a management contract for federal income tax purposes generally, and specifically in relation to any Municipal Bonds issued on a tax-exempt basis under the Code. The parties intend that this Agreement comply, and that in its performance of this Agreement SPHI comply, with all safe harbor conditions established by the Code, Treasury Regulations, revenue procedures or other written rulings of the Internal Revenue Service, including in Rev. Proc. 2017-13 (as applicable), as such conditions now exist or may hereafter be amended, under which an arrangement for services for management and operation of Medical Facilities owned by the Borough is characterized as a management contract for federal income tax purposes. The parties intend that this Agreement, and SPHI's performance under the terms of this Agreement, do not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) of the Internal Revenue Code or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. The parties agree that this Agreement shall be interpreted and construed in a manner consistent, and comply, with all safe harbor conditions relating to tax-exempt Municipal Bonds issued or to be issued, including Rev. Proc. 2017-13 (as applicable), as such conditions now exist or may hereafter be amended, and the parties agree to take such actions as are necessary to construe and administer this Agreement consistent with such compliance. In the event any federal court or the U.S. Department of the Treasury, Internal Revenue Service determines that any portion of this Agreement is not in compliance with such safe harbor condition or conditions, then the parties immediately agree to take any such actions as are necessary to ensure compliance with the applicable safe harbor condition or conditions. If the parties are unable to reach an agreement on the manner of compliance within thirty (30) days, then such compliance, and the manner of such compliance, shall be in the sole discretion of the Borough.

## 9. SUPPLIES, MATERIALS AND INVENTORY.

a. Use of Existing Supplies, Materials and Inventory. During the term of this Agreement, all supplies, materials, and inventory located in or on the Medical Facilities shall be subject to the control, consumption, disposition and replacement by SPHI for use solely for services provided under this Agreement.

b. Repair or Replacement. Supplies, materials and inventory that need to be repaired or replaced will be repaired or replaced by SPHI if necessary for the operation and management of the Medical Facilities. At the termination of this

Agreement, replacement supplies, materials, and inventory shall remain the sole property of the Borough or its successors or assigns, if any.

c. Purchasing Procedures. All purchases made by SPHI shall be done in accordance with SPHI corporate and operational policies related to purchasing and in coordination with the Borough Purchasing and Contracting Director pursuant to paragraph 9(d). These policies shall establish and follow competitive procedures for purchases above a threshold set by the SPHI board, and these policies shall be available to the public. SPHI shall provide copies of updated policies annually, in accordance with reporting requirements set forth in paragraph 10 of this Agreement.

d. Coordination with Borough Purchasing and Contracting. SPHI shall coordinate its purchases with other borough entities and organizations by communicating regularly with the Borough Purchasing and Contracting Department to develop compatible and standardized supplies and equipment and to save expenses through bulk purchases. Additionally, it shall coordinate with emergency service providers to ensure compatible equipment is acquired to the extent feasible.

e. Group Purchasing Organizations. SPHI is specifically authorized to purchase supplies, materials, equipment and inventory from group purchasing organizations (“GPOs”) such as Intalere, or other GPOs, their successors or assigns, provided such purchases are otherwise authorized by this Agreement. It is understood and agreed that exclusive health care service providers hired or contracted with by SPHI pursuant to this Agreement are not required to comply with this provision unless otherwise stated in the contract between SPHI and the provider. Finally, SPHI, per the existing business practice, agrees to communicate and cooperate with the Borough Purchasing and Contracting Director on all purchases made that will require Borough Assembly approval.

f. Disposal. Disposal of any supplies, materials, inventory, and equipment that are owned by the Borough and that are surplus to the needs of the Medical Facilities shall be made in accordance with the Borough Code requirements for disposal of surplus property. Net proceeds from the sale of surplus property shall be used by SPHI to pay for costs of operating and maintaining the Medical Facilities. Nothing in this provision shall be construed to confer ownership of such assets or funds upon SPHI. All disposals of hazardous substances shall be in accordance with applicable local, state, and federal laws and regulations. Proceeds from the sale of items funded with gifts or grants shall be distributed in accordance with the donor’s intent or grant requirements, as applicable. If the intent of a donor cannot be determined, then proceeds shall be used by SPHI for the operation and maintenance of the Medical Facilities.

10. ANNUAL LIST REPORTING REQUIREMENTS.

a. Annual Report Deadline. On or before March 1 of each year, SPHI shall provide an updated *Hospital Assets Schedule, Annual Projects List, Property Lease List, Purchasing Policies List, the Risk Management Report, and the Changes in Services* to the Borough Contract Administrator and the Borough Purchasing and Contracting Director.

b. Hospital Assets Schedule. The updated *Hospital Assets Schedule* shall include reportable Capital Infrastructure Assets and reportable Major Moveable Equipment Assets as defined in sections 11.a.i and 12.a.i of this Agreement. At a minimum, the updated *Hospital Assets Schedule* shall list the reportable assets, and include the location, and remaining useful life of each asset.

c. Annual Project List. The *Annual Project List* shall include reportable proposed Maintenance Projects, Major Moveable Equipment Purchases, and Capital Improvements as defined in paragraphs 11.a.ii, 12.a.ii, and 13.a.i of this Agreement. At a minimum the *Annual Projects List* shall include a description of each project, the project schedule, and the estimated cost. All projects must be categorized by property and/or building location.

In the event that reportable projects that are not included in the *Annual Projects List* are identified and approved by SPHI's board of directors, SPHI shall provide written notification to the Borough Contract Administrator and the Borough Purchasing and Contracting Director upon SPHI board approval.

d. Property Lease List. The *Property Lease List* shall include a list of all real property leases, regardless of term length or cost, and of all other operating and capital leases with terms greater than one year. This shall apply to all leases entered into by SPHI as lessee or lessor. At a minimum, the list must identify the leased property (including the address or legal property description), lessor/lessee, term, and cost. SPHI shall provide copies of any leases related to the services provided under the terms of this Agreement upon request by the Borough Contract Administrator.

e. Purchasing Policies List. The *Purchasing Policies List* shall include a list of all corporate and operational policies related to purchasing, and shall include copies of all such updated policies.

f. Risk Management Report. SPHI shall provide annual reports to the Borough Administrator and Human Resources Director describing SPHI's Risk Management program as described in paragraph 22.



g. Change in Services. Any change in the level or type of services provided shall be included in the Annual List and as a part of the quarterly report of such changes as required in paragraph 24.b.

11. MAINTENANCE AND REPAIR. SPHI shall perform all work necessary within its authority, and shall advise the Borough Contract Administrator and the Borough Purchasing and Contracting Director as soon as reasonably possible of other projects it deems necessary, to maintain the Medical Facilities in reasonably safe condition and in good repair and operating condition throughout the term of this Agreement, in accordance with the requirements of this paragraph. SPHI shall be responsible for all maintenance and repair of the Medical Facilities, including the upkeep and maintenance of the Medical Facilities and the walkways, roads and grounds of the Medical Facilities subject to the following terms and conditions in this Agreement. For the purposes of identifying and evaluating capital infrastructure assets covered under this Agreement, SPHI shall use the guidelines in the American Hospital Association (“AHA”), Estimated Useful Lives of Depreciable Hospital Assets, Revised 2018 Edition (“AHA Estimated Useful Lives”).

a. Minor and Major Maintenance Reporting and Communication

- i. For the purposes of this Agreement, reportable capital infrastructure assets are defined as all capital infrastructure assets located in the Medical Facilities that are included in Part 1 of the AHA Estimated Useful Lives with a projected useful life in excess of eight (8) years. All such assets must be included on the annual *Hospital Assets Schedule*. The Borough Contract Administrator may choose to waive reporting requirements for any asset or allow identification of reportable components as a composite asset.
- ii. For the purposes of this Agreement, reportable maintenance projects are defined as Minor Maintenance Projects with a cost in excess of \$100,000 and all major maintenance projects.
- iii. Major maintenance is defined as the renovation or replacement of any capital infrastructure asset on the *Hospital Assets Schedule*. Minor Maintenance is defined as the renovation or replacement of assets listed under Part 1 of the AHA Estimated Useful Lives with a projected useful life of eight (8) years or less. Reportable maintenance projects must be included on the *Annual Projects List*.
- iv. SPHI shall notify the Borough Contract Administrator and the Purchasing and Contracting Director in writing prior to commencing any work on any reportable maintenance project, as defined in paragraph 11.a.ii of this Agreement, which is managed by the SPHI.

- b. Minor and Major Maintenance Approval and Management
- i. SPHI must follow all reporting and notification requirements before commencing with a minor or major maintenance project. In the event that maintenance needs are identified and not included on the Annual Project List, any reportable projects as defined in paragraph 11.a.ii of this Agreement must be reported to the Borough Contract Administrator, and SPHI may not commence Major Maintenance Project work unless authorized to do so in writing by the Contract Administrator. The Borough will provide a response to SPHI's requests for approval of Major Maintenance Projects within 14 calendar days of submittal of the Annual Project List or submittal of projects that are identified after the submittal of such list.
  - ii. The Borough may in its sole discretion manage any Major Maintenance Projects or may give written authorization to SPHI to do so. The Borough reserves the right to require SPHI to provide written submittals for approval by the Borough Purchasing and Contracting Department on components, equipment, and material to be used in any Major Maintenance Project. Reportable Minor Maintenance Projects included in the Maintenance Projects List do not require Borough approval.
  - iii. The Borough may require, within one year of notification to SPHI to undertake major maintenance as it deems necessary and appropriate to maintain the Medical Facilities in good condition, subject to the availability and, if necessary, appropriation of funds to finance such major maintenance.

12. MAJOR MOVABLE EQUIPMENT PURCHASES

- a. Major Movable Equipment Reporting and Communication
- i. For the purpose of this Agreement reportable Major Movable Equipment Assets include all equipment identified in the AHA Estimated Useful Lives, under Table 8, Diagnostic and Treatment Departments, and exceeding \$250,000 in value. All such assets shall be included on the annual *Hospital Assets Schedule*.
  - ii. For the purpose of this Agreement, reportable Major Movable Equipment Purchases include purchases of all equipment identified in the AHA Estimated Useful Lives, under Table 8, Diagnostic and Treatment Departments, and exceed \$250,000 in value. All such purchases, and associated capital improvement requirements, shall be included on the *Annual Projects List*.

- iii. SPHI shall promptly notify the Borough Contract Administrator and Borough Purchasing and Contracting Director in writing when any reportable Major Movable Equipment is purchased.

- b. Major Movable Equipment Approval and Management

All Major Movable Equipment purchases including associated capital improvement requirements expected to cost in excess of \$500,000 or requiring an Alaska Certificate of Need (CON) must be approved by the Borough Assembly by ordinance. Major Movable Equipment purchases that do not require appropriation and costing less than or equal to \$500,000 do not require Borough Assembly approval. Purchases requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis. The Borough Assembly or Borough Contract Administrator may decline to consider any project during the budgeting process and instead may review it separately as an individual approval.

13. CAPITAL IMPROVEMENT PROJECTS. To the extent approved by the Borough Assembly and the appropriation and availability of funds, the Borough may finance capital improvements for the Medical Facilities as necessary for the provision of services and functions to meet the needs of the residents of the Service Area.

- a. Capital Improvement Projects Reporting, Planning, and Communication

- i. DEFINITIONS. For the purposes of this Agreement, Capital Improvement Projects include all such projects not identified in this Agreement as Minor or Major Maintenance (Paragraph 11), Major Movable Equipment (Paragraph 12), or Real Property Acquisitions (Paragraph 14).

All projects expected to cost over \$250,000, or requiring a permit through any Authority Having Jurisdiction (“AHJ”) as defined in the International Building Code, such as the 2015 IBC section 105, impacting Life Safety Requirements, and/or decommissioning any asset or part of assets identified on the *Hospital Assets Schedule*, shall be included on the *Annual Projects List*.

- ii. PLANNING. For all Capital Improvement Projects expected to cost in excess of \$1,000,000 or expected to require authorization under paragraph 13.b.ii, whether or not included on the *Annual Projects List*, SPHI will notify the Borough Contract Administrator

and Borough Purchasing and Contracting Director in writing prior to any design, engineering or procurement efforts or grant application submission. Included with this notification shall be a description of the project concept and the specific needs that justify the project. To the extent allowed by law, the notice, including the description and other information contained in or submitted with the notice, is confidential and privileged information regarding SPHI's business plans that is protected as provided in this Agreement. Prior written notice is not required for preliminary conceptual designs, diagrams, or schematics, costing less than \$25,000.

The Borough Purchasing and Contracting Department shall be involved in all aspects of the analysis and planning of these projects, unless the Borough notifies SPHI in writing that it will not be involved. Such notice will not preclude the Borough from requiring involvement in the planning process at a later point. The Borough Contract Administrator will notify SPHI's Contract Administrator in writing of the Borough's change of the Borough's decision on involvement. In the case that the Borough is not involved in the planning of a project, SPHI shall immediately notify in writing the Borough Contract Administrator and Purchasing and Contracting Director if a change during planning increases the estimated total project cost by \$100,000 or more.

- iii. PROJECT START AND ONGOING REPORTING. SPHI shall maintain clear and consistent communication with the Borough Contract Administrator and the Borough Purchasing and Contracting Director regarding ongoing and potential capital projects.

SPHI shall notify the Borough Contract Administrator and Borough Purchasing and Contracting Director in writing at the start of any Capital Improvement Project managed by SPHI.

During the project period, the Borough Contract Administrator or Borough Purchasing and Contracting Director may require periodic project reports from SPHI, which shall provide all requested information as soon as reasonably possible.

Upon the completion of any project managed by SPHI, SPHI shall provide to the Borough Contract Administrator and the Borough Purchasing and Contracting Director a final project report

providing details of the final project scope, expenses incurred, as-builts, site surveys, project plans, occupancy permits, AHJ inspection reports, conditional-use permits, utility service agreements, and any further information required by the Borough.

b. Capital Improvement Projects Approval and Management

- i. All Capital Improvement Projects expected to cost in excess of \$1,000,000 must be approved as well as appropriated by the Borough Assembly by ordinance. Unless requiring appropriation or Borough Contract Administrator approval under paragraphs 13.b.ii or 13.b.iii of this Agreement, Capital Improvement Projects costing between \$500,000 and \$1,000,000 must be approved and appropriated by the assembly by ordinance unless the funds have previously been appropriated for that project. If the funds for such projects have been previously appropriated they do not require Borough Assembly approval but must be approved by the Purchasing and Contracting Director. Projects requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis. The Borough Assembly or Borough Contract Administrator may decline to consider any project during the budgeting process and instead may review it separately as an individual approval.
- ii. Regardless of estimated cost, any Capital Improvement Project requiring a permit through any AHJ as defined in the International Building Code, such as the 2015 IBC section 105, impacting Life Safety Requirements, and/or decommissioning any asset or part of assets identified on the *Hospital Assets Schedule*, must receive Authorization to Proceed from the Borough Contract Administrator prior to the procurement of any equipment, materials, or services. The Borough will provide a response to SPHI within 14 calendar days of receiving the request.
- iii. Any leasehold improvements on properties not owned by the Borough and costing in excess of \$100,000 require prior approval by the Borough Contract Administrator.
- iv. The Borough may require SPHI to provide submittals for approval on components, equipment, and material to be used in any Capital Improvement Project.
- v. The Borough may in its sole discretion manage any Capital Improvement Project. The Borough shall manage all Capital Improvement Projects expected to cost in excess of \$1,000,000 unless the Borough Contract Administrator provides written authorization to SPHI to manage the project.

#### 14. REAL PROPERTY ACQUISITIONS AND LEASES.

a. Real Property Acquisitions. For the purposes of this Agreement, a real property acquisition is defined as acquiring any interest in real property that may obligate the Borough in any way. The acquisition of any interest in real property may not occur without Borough Assembly approval. All such acquisitions shall be conducted by the Borough unless SPHI is given written authorization to do so by the Borough Contract Administrator.

Requests for acquisition of any real property interest shall be conveyed to the Borough Contract Administrator and the Borough Planning Director. SPHI is authorized to conduct operational assessments of a property's ability to meet operational needs, and this assessment may include acquisition of a competent property appraisal. However, SPHI may not initiate negotiations for the acquisition of any such interest unless it has been given written authorization to do so by the Borough Contract Administrator. In any event, all acquisitions of any interest in real property shall only be in furtherance of the purposes of this Agreement and within the authorized powers of the Service Area.

b. Leases in Which SPHI is the Lessee. Leases in the name of SPHI in which SPHI is the Lessee and no obligation whatsoever is imposed upon the Borough, either express or implied, are not subject to the requirements in subparagraph 14.a. of this agreement. Under no circumstances shall such leases obligate the Borough in any way whatsoever without advance Borough Assembly approval. All such leases shall contain a clause stating: "In the event that the Operating Agreement between SPHI and the Kenai Peninsula Borough is terminated and not renewed or extended, and the Kenai Peninsula Borough either assumes operation of the Medical Facilities or contracts with another entity to continue such operation, the continuation of this lease with the Borough or a subsequent operator is subject to Borough Assembly approval and the availability and appropriation of funds." In any event, written approval by the Borough Contract Administrator is required for all such leases costing \$100,000 or more annually. Total cumulative annual costs of such leases shall not exceed \$400,000. Increases to the cumulative annual limitation must be approved by the Borough Assembly by resolution.

15. SUBLEASES OF MEDICAL FACILITIES TO THIRD PARTIES. SPHI is hereby authorized to negotiate the sublease of those Medical Facilities leased to SPHI by the Borough under the following conditions:

(a) Any sublease of the property leased to the Borough by the City of Homer must first be approved by the City of Homer as required in the Consent to Sublease signed by the City of Homer and attached to this agreement;

(b) Such subleases shall be for fair market value and on such terms and conditions that are commercially reasonable in the medical industry;

(c) Such subleases shall be in furtherance of the purposes of this Agreement, in compliance with all applicable laws, within the authorized powers of the Service

Area, and comply with all requirements associated with tax-exempt bond financing when applicable;

(d) SPHI's written notices to the Borough Contract Administrator and Borough Finance Director shall include the location leased or proposed to be leased, the sublessee's name, lease terms, and purpose;

(e) The Borough Contract Administrator and Borough Finance Director shall be provided prior written notice of intent to execute each sublease agreement valued at less than \$250,000 per year at least seven (7) business days before execution of the lease; and

(f) All such sublease agreements valued at \$250,000 or more per year must be approved by the Contract Administrator on behalf of the Borough. The Borough Contract Administrator and Borough Finance Director shall be provided written notice of SPHI's intent to enter into such sublease agreement at least twenty-one (21) days prior to executing the lease. The Contract Administrator shall not unreasonably withhold his or her approval. If the Contract Administrator does not respond to SPHI within twenty-one (21) days of SPHI's written notice of intent to enter into such sublease, then the sublease agreement is deemed to be approved by the Contract Administrator provided that the notice to the Contract Administrator includes specific notice of this automatic approval provision.

## 16. FINANCES.

a. Operating Revenue. During the term of this Agreement, all revenue and cash collections from patients, third-party payers, including, but not limited to, Medicaid and Medicare, rents billed and collected by SPHI, and all other sources, arising out of or related to services rendered pursuant to this Agreement, or any renewal or extensions thereto, including but not limited to lease or rental revenues, shall be received and managed by SPHI for the Borough consistent with the terms and conditions of this Agreement. These funds shall first be used by SPHI to pay the usual, customary, and reasonable expenses of operating the Medical Facilities and programs operated by SPHI for the Service Area pursuant to this Agreement, and the reasonable expenses of compliance with the terms and conditions of this Agreement. SPHI shall maintain an operating reserve ("Operating Reserve") of not more than ninety (90) days cash on hand ("the operating reserve amount"). For purposes of the operating reserve amount, "cash on hand" is calculated based on the "days cash on hand ratio" used in the health care industry. On a quarterly basis, SPHI shall transfer all cash on hand in excess of the operating reserve amount to the Borough for deposit into the South Peninsula Hospital Plant Replacement and Expansion Fund ("PREF"), described in paragraph 16(b). If the cash on hand is less than ninety (90) days at any time, then SPHI may request that the Borough authorize the transfer of an amount from the PREF to its operating reserve to maintain the operating reserve amount, by SPHI Board action.

The PREF shall be invested with other Borough funds although the interest earned on that fund will be credited to the PREF. All Borough held funds, including amounts deposited into the PREF, must be appropriated by the Borough Assembly prior to obligation.

b. Plant Replacement and Expansion Fund. The PREF is a fund designated as a source of funding for major repairs and replacement of Medical Facilities; improvements, fixtures, and equipment for Medical Facilities; acquisition of property, improvements, fixtures and equipment related to operation of the Medical Facilities; and to replenish the operating reserves, as provided in paragraph 16.a. above. Amounts held in the PREF are funds of the Borough Service Area. Neither the Borough nor SPHI shall obligate or attempt to spend or transfer funds from the PREF without the prior approval and appropriation by the Borough Assembly. Any transfer into or out of this fund shall first be considered by the SPHI board and its recommendation shall be forwarded to the Assembly. An appropriation is not needed to transfer operating reserve funds into the PREF. Any transfer of funds out of the PREF shall also first be considered by the SPHI board whose recommendation shall be forwarded to the Assembly, which must appropriate the funds prior to any such transfer out of the PREF.

c. Cash Management. All cash reserves in excess of the ninety (90) days cash on hand described in paragraph 16.a. of this Agreement shall be deposited into the Borough's central investment pool within 45 days of the quarter end and managed pursuant to the parties' Memorandum of Agreement dated [REDACTED], 2019, or successor Agreement, a copy of which is attached hereto as Attachment C and incorporated herein by reference.

d. Financial Reporting. SPHI shall at all times meet all applicable financial reporting requirements and, unless otherwise agreed by the Borough Finance Director, promptly provide all documentation requested as needed to satisfy financial reporting requirements, concerns regarding financial performance, concerns regarding any SPHI receipts and expenditures, and other financial issues that may arise in SPHI's performance of this Agreement.

e. Capital Grants or Gifts. With the assistance of SPHI the Borough may apply to the State of Alaska, U.S. government, nonprofit foundations, or other entities for financial aid or grants to municipalities for hospitals, skilled nursing facilities, other health care facilities, or capital acquisitions for health care programs. Funds received through such application will be spent only for those purposes set forth in the application or a donor-written directive. SPHI agrees to comply with all terms and conditions required by the granting agency or donor directive. All applications for financial assistance or grants shall be subject to review and comment by SPHI before the submission thereof to a government, governmental agency, or other entity.



f. Service Area Revenues. Service Area revenues shall be used to support operations of the Service Area, including operational and capital support of the Medical Facilities and programs operated by SPHI for the Service Area, and other services and projects approved by the Borough Assembly, subject to the appropriation and availability of funds.

g. Medical Service Operating Grants, Gifts and Donations. On behalf of the Service Area, SPHI may apply to the State of Alaska, U.S. government, nonprofit foundations, or other entities for financial aid or grants to support the operation of the Medical Facilities and/or the provision of services or programs pursuant to this agreement. In the event that gifts or donations of money or other property are made to SPHI for the Medical Facilities or the provision of services or programs pursuant to this Agreement, SPHI may accept such gifts, on behalf of the Borough, only if their use is compatible with the operations of the Medical Facilities or the provision of services or programs pursuant to this Agreement. SPHI may accept, on behalf of the Service Area, donations of interest in real property only upon written borough approval, subject to the provisions of Borough Code. The expenditure of funds from such gifts or donations shall be subject to the same restrictions as apply to the expenditure of operating revenues in this Agreement. All gifts or charitable contributions received from South Peninsula Health Foundation are subject to this provision.

h. No Debt Authority. SPHI may not incur debt to finance the acquisition or expansion of the Medical Facilities, equipment, or major or minor maintenance projects without approval by the Borough Assembly.

i. Bonds. All requests for the issuance of bonds to finance the acquisition, expansion, or major or minor maintenance of the Medical Facilities, or the purchase of equipment must be approved by the Borough Assembly.

## 17. PERFORMANCE MEASUREMENT.

a. Performance Standards. SPHI performance under this Agreement shall be measured against objective standards established by one or more organizations such as The Advisory Board Company, The Center for Medicare and Medicaid Services, The Alaska State Hospital and Nursing Home Association, The Alaska Small Hospital Performance Improvement Network, or The American Hospital Association. The performance standards against which SPHI performance will be measured will be set forth in the SPHI Strategic Plan.

b. SPHI Performance. SPHI will:

i. Establish a Board Orientation and Continuing Education Program for all board members and provide an annual report to the

Contract Administrator on compliance with the requirements of the program.

ii. Ensure compliance with the Medicare and Medicaid Conditions of Participation as determined through the state's licensing and certification processes.

iii. Ensure that the Hospital complies with all quality measurement reporting requirements necessary to ensure full payment under all applicable Medicare and Medicaid programs.

iv. Establish goals for the Hospital's Performance Improvement Program and metrics to measure progress toward those goals. An annual report on the Performance Improvement Program will be provided to the Contract Administrator.

v. Conduct an annual review of the Hospital's Corporate Compliance Program and include the results of that review in the annual report to the Contract Administrator.

c. Strategic Plan. Within 12 months of the execution of this Agreement, SPHI shall prepare and present to the Borough Administration and SAB, for information purposes, a Strategic Plan containing, at a minimum, the following elements:

- An overview of the Service Area.
- Service area demographics.
- Hospital utilization and market share information and plans.
- Medical staff analysis.
- Hospital analysis.
- Financial results and trends.
- South Peninsula Hospital strategy map.
- South Peninsula Hospital planning calendar.
- Mission, vision, values and competitive position.
- Key strategies.
- Performance measurement.
- Orientation and Training Plan for SPHI Board.

All amendments to the Strategic Plan shall be provided to the SAB and Borough Administration within thirty days of their approval by the SPHI Board. It is agreed and understood that elements of the Strategic Plan may be confidential proprietary information, the public disclosure of which could cause competitive harm to the Medical Facilities. SPHI shall clearly mark all such information as confidential and proprietary. Disclosure of this information to the SAB and Borough Administration shall not be construed to require their disclosure to the general public.

d. Certification. SPHI shall maintain State of Alaska certification of its operation of the Medical Facilities. Due to the critical need for maximum participation in the Medicare/Medicaid programs and the reliance on these programs as a critical source of revenue, SPHI shall maintain Critical Access Hospital status and shall review this status on an annual basis to determine whether this status continues to provide the best revenue structure for the Hospital. SPHI shall notify the Borough Contract Administrator of any change to this status within 14 days of the decision to change. In addition, SPHI shall strive to attain Joint Commission on Accreditation of Healthcare Organizations (“Joint Commission”) or other similar accreditation status as part of its long-term strategic program, when it becomes financially feasible to do so.

e. Staffing. In order to help ensure fiscal responsibility and that the desired level of services is provided, SPHI shall diligently take all reasonable steps needed to ensure that it has adequate qualified management and staffing in place at all times to, at a minimum, successfully provide the level of services needed to operate a hospital of its capacity in accordance with industry standards. This staffing shall be consistent with the goals and objectives identified in the most recent Strategic Plan. Senior management staff shall consist of the Chief Executive Officer, Chief Financial Officer and Chief Nursing Officer, and SPHI shall notify the Borough within 14 days of any changes in these positions. SPHI shall diligently attempt to fill any vacancies in any of these positions with a regular replacement as soon as possible by using every reasonable process and mechanism available. SPHI shall prepare and maintain a Senior Management Succession Plan and provide a copy of the plan to the Contract Administrator. In the event that SPHI is not successful in recruiting and hiring an appropriately qualified CEO, CFO or Chief Nursing Officer replacement within a commercially reasonable time, SPHI may utilize the services of an interim CEO, CFO or Chief Nursing Officer until an appropriately qualified replacement can be hired. SPHI shall not employ one individual to perform the duties of more than one senior management position. If a vacant senior management position has not been filled within six months, and SPHI has not filled the position with an interim replacement, the Borough Contract Administrator may require that SPHI utilize the services of a management or recruiting company to hire or provide an interim replacement until a regular replacement is hired. SPHI will report to the Borough Contract Administrator, at least monthly, on its progress in recruiting and hiring senior management replacements.

f. Pension Plan Funding. At the time of entering this Agreement SPHI provides a Defined Contribution Pension Plan for its employees. It previously provided a Defined Benefit Pension Plan for its employees which is now only available to employees who are already enrolled. SPHI agrees to annually fund its obligations for the Defined Benefit Pension Plan at least in the amount determined by the Plan Actuary to be the required minimum contribution necessary to adequately fund the plan, including interest on net pension obligation, and to provide to the Borough Finance

Director, upon request, reasonable assurances that the Pension Plan is adequately funded and managed. SPHI shall maintain insurance coverage for the Plan through the Pension Benefit Guaranty Corporation. SPHI shall provide to the Borough Finance Director, on an annual basis, a copy of the IRS Form 5500 and associated schedules.

g. Sub-standard Performance. If the Borough Contract Administrator determines that any aspect of actual performance under this Agreement is consistently below standards established under this Agreement, within 60 days of notice from the Borough Contract Administrator the parties shall develop and SPHI shall implement a Specific Performance Improvement Plan approved by the Borough to correct the deficiency. The Specific Performance Improvement Plan shall specify the corrective action(s) to be taken and the time frame within which performance will be returned to established standards. In cases where the parties agree that the operating environment has changed to the point where a performance standard or standards are no longer appropriate, new or revised performance standards may be established. The parties may agree, in writing, to amend any provision of the Specific Performance Improvement Plan.

#### 18. SERVICE AREA BUDGET.

a. SPHI Budget Proposal. SPHI shall prepare and submit a proposal to the SAB containing anticipated funding needs from service area funds for the operations and maintenance of the Medical Facilities and programs operated by SPHI for the Service Area. The Borough Contract Administrator will notify SPHI in advance of the dates when the SPHI budget must be submitted to the Service Area Board and the Administration.

b. Service Area Budget Proposal. The Service Area Board shall prepare and submit a proposal to the Borough administration for the annual Service Area budget, which may include debt service payment for outstanding bonds, property insurance, audit fees, and operating and maintenance expenses of the Medical Facilities. SPHI shall provide assistance in the process, or written documentation, at the request of the SAB or the Borough Assembly. The SAB budget shall give preference to anticipated funding needs for the Medical Facilities and programs operated by SPHI for the Service Area pursuant to this Agreement. This may include repairs, renovations or additions to those facilities. It is recognized by the parties that the Service Area budget proposal may not necessarily include all items recommended by SPHI.

c. Service Area Final Budget. The Borough Administration shall review the Service Area operating and capital budget proposals, and submit the administration's proposed Service Area budget to the Borough Assembly, designating

revenues available to fund Service Area capital expenditures and operations and the mill rate necessary to fund the Service Area's portion of the budget. SPHI shall assist, as requested by the Borough Contract Administrator, in presenting the budget to the Borough Assembly. Subject to assembly approval and the availability of funds, funding shall be provided by appropriation with preference for the operational and capital requirements of the Medical Facilities.

#### 19. ACCOUNTING/AUDIT/REPORTING.

a. Accounting. SPHI shall account for all financial transactions involving Service Area funds and all other funds received from the operation of, or to operate, the Medical Facilities and programs operated by SPHI for the Service Area. Both parties shall maintain accounting records involving Service Area operations in a manner that complies with generally accepted accounting principles.

b. Investment of Funds. All cash held and investments of funds by SPHI must meet the requirements established by KPB 5.10, "Investment of Moneys," or other comparable requirements approved by the Borough's Finance Director, and any related policies of the Borough.

c. Audit. The Borough shall be responsible for compliance with any single-audit requirements of the Medical Facilities, or portions thereof. The independent auditing firm selected by the Borough to comply with any such audit requirements shall submit written annual audit reports and shall make verbal presentations to SPHI's board of directors, the SAB, and the Borough Assembly.

d. Chief Executive Officer or Management Contract. SPHI shall hire, for reasonable compensation, a chief executive officer, or shall enter into a contract for the management of the Medical Facilities; provided, however, the term of any such employment or management contract shall not exceed the term of this Agreement, unless the contract contains a clause which terminates the contract if this Agreement is terminated and not extended or renewed. The provisions of the contract concerning compensation upon severance of the employment relationship shall not exceed the reasonable and customary amount paid to similar positions by similar publicly owned hospitals in Alaska and the Pacific Northwest. A copy of the Management Contract or Employment Contract and copies of all contract renewals or amendments shall be provided to the Borough Contract Administrator immediately upon execution.

e. Hospital Executive Incentive Plan. SPHI agrees that no employee incentive plan shall take into account, or be contingent upon, either share of net profits of the Medical Facilities or share of both revenues and expenses of the Medical Facilities for any fiscal period. Incentive compensation plans implemented by SPHI may be based on performance in meeting one or more standards that measure quality of service,

performance or productivity, and that are reasonable for services rendered. SPHI agrees to provide, upon request, the Borough with any and all incentive plan agreements of any employees fitting the IRS definition of key employees, as defined in IRS Form 990 reporting requirements. To the extent allowed by law, such information shall be treated as privileged and confidential. It may be required for bond financing purposes and therefore may be disclosed to professionals associated with approving the issuance of such financing who require such disclosure.

20. RATES. SPHI shall have the exclusive right to establish rates, fees and charges for services provided at the Medical Facilities SPHI, operating as a nonprofit organization, will use its best efforts to ensure that the rates, fees and charges it has established are reasonable and will cover the operating and maintenance expenses of the Medical Facilities and SPHI's other obligations under this Agreement.

21. INSURANCE.

a. SPHI's Insurance. During the term of this Agreement SPHI, at all times, shall maintain industry-specific insurance coverage for the requested types and total limits approved by the Borough Contract Administrator, including but not limited to the following insurance coverage, in amounts approved by the Borough:

- i. Workers' compensation insurance coverage as required by Alaska law;
- ii. Comprehensive general liability insurance for the Medical Facilities and operations provided by SPHI pursuant to this Agreement;
- iii. Cyber liability coverage;
- iv. Auto liability coverage;
- v. Medical malpractice or errors and omissions by SPHI and its employees; and
- vi. Directors' and officers' liability coverage, with employment liability.

SPHI may purchase additional insurance coverage that it deems to be necessary and appropriate to insure the management and operation of the Medical Facilities and other services provided by SPHI pursuant to this Agreement, after receiving written approval from the Borough Contract Administrator, which approval shall not be unreasonably withheld.

Unless otherwise agreed or prohibited, the Borough shall be named as an additional insured on all policies. All coverages shall be written on a primary and non-contributory basis and must contain a waiver of subrogation in favor of the Borough,

unless a waiver of subrogation is not available in the market for the type of the required industry-specific insurance coverage.

b. Verification of Coverage. SPHI shall furnish the Borough Administrator with approved certificates of insurance and with certified copies of all endorsements affecting coverage upon request from the Borough Contract Administrator or when policies are amended or renewed. The certificates and endorsements for each insurance policy are to be on forms which meet industry standard. The Borough reserves the right to require complete, certified copies of all required insurance policies at any time.

In the event of subcontractors contracted with SPHI, SPHI shall ensure that separate certificates and endorsements are received for each subcontractor, including workers' compensation, to the extent required by state law, and other insurance SPHI deems appropriate.

c. Borough Insurance. During the term of this Agreement the Borough shall, at all times, maintain and provide fire and property damage insurance in amounts sufficient to replace the Medical Facilities, including personal property. It is the intent of the Borough to use proceeds received as a result of insurance claims to address the losses of covered facilities and property.

SPHI must provide an updated schedule of all Borough property and contents located in or on the Medical Facilities, upon request by the Borough.

d. Notice of Claims. Each party shall immediately notify the other party to this Agreement of any lawsuits or claims asserted against SPHI, any of the Medical Facilities or the Borough related to operations of SPHI under this Agreement or of any potential claims that may be asserted.

e. Extended Reporting Period or Tail Coverage. Except as otherwise provided below, SPHI shall obtain, carry and maintain tail or extended reporting period coverage for all types of insurance coverage obtained pursuant to paragraph 20.a. of this Agreement, effective as of the date of termination of this Agreement, in the same amounts as or more than existing coverage at the time of termination for the named insureds. SPHI is not required to obtain such tail or extended reporting period coverage for workers' compensation insurance or for other coverage obtained on a per occurrence basis. SPHI and all of its directors who served as directors during the term of this Agreement shall be named insureds.

22. **DEFENSE AND INDEMNIFICATION.** Except as otherwise provided in this paragraph, SPHI shall indemnify, defend, save and hold the Borough, its elected and appointed officers, board members and employees harmless for any and all losses, claims, damages, demands, suits or liability of any nature, kind or character including

costs, expenses and attorney's fees resulting from, arising out of, or in any way connected with SPHI's performance or failure to perform under the terms of this Agreement in any way whatsoever. If there is a claim of, or liability for, a joint negligent act or failure to act of SPHI, including its officers, board members and employees, and the Borough, including its elected and appointed officers, board members, and employees, the indemnification, defense and hold harmless obligation of this provision shall be apportioned on a comparative-fault basis between the Borough and SPHI, provided the borough's obligation is subject to the appropriation and availability of funds. Neither party shall be responsible for any claims arising from the sole negligence or willful misconduct of the other party for damage or loss that has been found to be attributed to an independent contractor directly responsible to the other party under separate written contract.

The defense and indemnification provisions in this paragraph shall only survive the termination of this Agreement to the extent that coverage is available for any claims made under applicable insurance policies.

Nothing in this Agreement may be construed to modify (1) the sovereign immunity afforded the borough in AS 09.65.070 as now enacted or may be hereinafter amended, or as otherwise provided by law, or (2) the limitations of liability for certain directors and officers provided in AS 09.65.170 as now enacted or may be hereinafter amended, or as otherwise provided by law.

23. RISK MANAGEMENT. SPHI shall administer a risk management program with the objective of managing all risks of accidental losses and/or claims. This must include the protection of Kenai Peninsula Borough assets through structured internal procedures and continuous assessment of exposures to losses and/or claims. It should also be an objective of the program, to the extent possible, to create in incident-free facility that fosters a safe and secure environment for SPHI's employees, physicians and other health care providers, contractors, borough personnel, as well as members of the public.

SPHI shall provide annual reports to the Borough Administrator and Human Resources Director describing SPHI's Risk Management program by March 1 of the following year. The report shall include total costs and numbers of all workers' compensation claims, including those classified as no treatment and minor medical, filed in the previous calendar year. SPHI will deliver a list of safety-related training classes provided to employees, and a report describing other efforts taken to develop and implement best practice risk management techniques.

24. EMERGENCY REPAIRS. In the event of damage to, or destruction of all or part of the Medical Facilities in which immediate repairs are necessary to keep the Medical Facilities or portions thereof, including equipment, operational, SPHI may



perform such needed repairs and replace equipment to the extent necessary to keep the Medical Facilities or portions thereof, including equipment, operational. In such event, SPHI shall have authority to suspend or reduce services it determines cannot be provided until such time, if any, building, repair or replacement of the Medical Facilities or portions thereof, including equipment, has been completed. SPHI must notify the Borough as soon as reasonably possible of the entire situation and its response thereto including providing any contracts for reconstruction, equipment or replacement in excess of \$250,000 and information regarding any suspension or reduction in services as a result of damage or destruction.

## 25. LEVEL OF SERVICES AND OTHER BUSINESS ACTIVITIES.

a. Existing Level of Services. SPHI represents that the existing scope and level of services at the Medical Facilities as of the effective date of this Agreement are within its charitable purpose under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and are authorized under the terms of this Agreement.

b. Expansion of Services/New Services. The parties agree that SPHI may provide for expanded or new health services pursuant to this Agreement, subject to the provisions of this section and in accordance with powers authorized for the Service Area as described in the Borough's Code of Ordinances as now enacted or as may be amended, including but not limited to joint ventures or ownership participation or management participation in other health care services, and other business arrangements with other health care providers and businesses. All joint ventures or ownership participation or management participation in other health care services require prior approval by the Borough Assembly by ordinance. Prior notice of expansion of services or new services shall be provided in writing to the Borough Contract Administrator. To the extent allowed by law, such notice may be considered privileged or confidential information as defined in this Agreement. Borough Assembly approval shall be required to the extent it would otherwise be required in this Agreement, and for new services that have an expected total capital cost in excess of \$250,000.

Expansion of services or new services do not include changes in the method of delivering existing services or the use of new technology or techniques to provide those services even if this may involve additional personnel or training or enhancement of current capabilities to meet standards for proper patient care, or changes required to meet basic accreditation standards and licensing for the hospital. Any change in the level or type of services provided shall be included in the next quarterly report regardless of the cost as well as the annual report issued pursuant to paragraph 10.

c. Elimination of Services. SPHI may eliminate services or levels of care being provided at the Medical Facilities or otherwise pursuant to this Agreement, but only after 90 days' prior written notice to the Borough Assembly and Borough

Contract Administrator. Within that 90-day notice period, the Borough may then direct that SPHI continue to provide such services or level of care, if deemed in the best interest of the residents of the Service Area, even when not economically feasible. However, if the Borough decides to continue an economically unfeasible service or level of care, it shall consider providing an operating subsidy to SPHI equivalent to at least the loss associated with providing such service or level of care. If the Borough decides not to provide any such operating subsidy, then SPHI is not obligated to provide such services or level of care.

d. Disclosure of Other SPHI Business. In the event that SPHI engages in other business activities unrelated to the activities required or authorized by this Agreement, SPHI shall immediately notify the Borough Contract Administrator of the nature and extent of such other business activities, including upon request a disclosure of financial reports reflecting revenues and expenses, so that the Borough Contract Administrator may determine that such activities do not conflict with this Agreement, or otherwise impair either parties' rights or obligations under this Agreement. To the extent allowed by law, the parties agree that records of such other business activities are not public records. Disclosure to the Borough Contract Administrator of records under this provision shall not be deemed to convert such records to public records, to the extent allowed by law. In no case will the assets generated or provided through this Agreement be used to capitalize or otherwise fund any activities of SPHI conducted outside the scope of this Agreement.

26. APPOINTMENTS TO THE MEDICAL STAFF. SPHI shall establish written policies for granting privileges to practice in the Medical Facilities in cases in which application for privilege to practice is required. These written policies must prohibit discrimination against applicants on the basis of race, religion, color, national origin, age, sex, sexual orientation, gender identity, physical or mental disability, marital status, changes in marital status, pregnancy, or parenthood, or any other classification prohibited by law. The language in this paragraph does not prohibit SPHI from entering into an exclusive contract for the professional services of a specialist, or to require health care providers to be SPHI employees rather than independent contractors, if SPHI deems there to be business justification for the exclusive contract or employment model or relationship.

27. NONDISCRIMINATION IN ADMISSIONS. All persons in need of medical care shall be admitted to the appropriate Medical Facilities without regard to race, religion, color, national origin, age, sex, sexual orientation, gender identity, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, or the financial ability to pay for such medical care to the extent required by law.

28. **MEDICAL RECORDS.** During the term of this Agreement, SPHI shall have the full use and control of all medical records, and shall be responsible for complying with all applicable federal and state laws regarding the maintenance, security and privacy thereof. Medical records shall remain under the supervision and control of SPHI so long as provided for in this Agreement; provided, however, that SPHI may make arrangements for electronic storage and back-up of electronic records. If SPHI ceases at any time to be the Operator as provided for herein, the Borough shall reacquire the full use and control of such medical records, and shall be required to ensure they are preserved the same for such period of time as is required by Alaska or Federal laws, but, in any event, a minimum of five (5) years following the date on which SPHI ceases to be the Operator. After SPHI ceases to be the Operator and so long as such medical records are preserved by the Borough or its contractor as required above, to the extent allowed by law and for such purposes as are consistent with its prior duties and responsibilities as the Operator and in connection with any investigation or litigation in which SPHI may be involved or may become involved, SPHI shall at all times be provided free and complete access to such medical records and may copy all or any part of the same, and may maintain electronic records.

29. **OTHER GOVERNMENTAL ACCESS TO BOOKS AND RECORDS.** In order to ensure that any expense which might be incurred by or on behalf of the Medical Facilities or other authorized Service Area activity administered by SPHI pursuant to this Agreement is included to the extent appropriate in determining the reasonable costs reimbursed by Medicare and Medicaid programs, or other similar government programs, SPHI shall retain all records which are necessary to audit and certify the nature and extent of the services provided and the cost thereof, for at least the minimum period of time required by applicable state and federal law after the furnishing of such services as are described in this Agreement, and make available all such records upon request by the duly authorized representatives of a federal or state government agency with jurisdiction thereof. SPHI also agrees that if it subcontracts for any of the duties under this Agreement, to the extent required by federal or Alaska law, the subcontract shall contain a clause requiring that the subcontractor organization must also satisfy all applicable record retention and disclosure requirements which are necessary to an audit and certification of the nature and extent of the services provided and the cost thereof.

30. **PUBLIC ACCESS.** Recognizing that SPHI is operating publicly owned facilities under this Agreement, SPHI shall make all meetings of its board of directors open to the public, and copies of non-confidential board materials shall be made available to the public at or before the meeting, unless the subject matter under discussion involves privileged or confidential information as defined in this Agreement. Nothing in this section shall be construed as affecting the status of SPHI as a §501(c)(3) nonprofit, private corporation or bringing SPHI within the scope of the Alaska Open Meetings Act, AS 44.62.310-.312.

a. Privileged or Confidential Information. As used herein, the term “privileged or confidential information” means the following records or information in the possession of SPHI:

- i. Medical records, patient information and patient billing files, except patient information that may be disclosed without violating patient privacy rights;
- ii. Medical review organization information and records prepared and retained pursuant to AS 18.23.010 – 18.23.070;
- iii. Employee records and information including but not limited to background and reference checks, substance abuse tests, employee credit checks, employee grievances, employee disciplinary actions and workplace investigations;
- iv. Physician and other health-care provider records and information including but not limited to credentials and disciplinary files;
- v. Director records and information except the name, mailing address, and term of office of each director;
- vi. Records and information regarding pending or threatened litigation by or against SPHI or the Borough, the disclosure of which could adversely affect the finances or litigation strategy of SPHI, the Borough, or the Medical Facilities operated pursuant to this Agreement;
- vii. Records and information regarding the business plans of SPHI, the disclosure of which could be used by competitors or others to the detriment of SPHI, the Borough, or the Medical Facilities;
- viii. Information and records that pertain exclusively to SPHI and not to activities performed pursuant to this Agreement; and
- ix. All other records and information that SPHI is required or permitted by applicable federal, state or local law to keep confidential.

Privileged or confidential information and records may be discussed by the SPHI board of directors privately, in executive session. Nothing herein shall be deemed as

precluding the SPHI board of directors from holding private work sessions, training sessions and informational meetings at which no board action is taken.

b. Board of Director Meetings. It is agreed and understood that prior to final board action on any matter referred to a board committee, the SPHI board will fully disclose the substance of committee consideration of the matter, except for any of the above-referenced confidential matters. Disclosure may occur either verbally or in the text of a resolution, at the discretion of the board. The parties further agree that the board's executive committee has authority to take action on behalf of SPHI in between regular board meetings to the extent allowed by law and SPHI's Bylaws. All such final actions that are not required or permitted to be kept confidential shall be disclosed to the board in a public meeting of the board.

c. Public Comment. Members of the public who wish to comment upon policies or proposed actions of the SPHI board of directors shall be given a reasonable opportunity to do so during the "Public Comment" section of the regular Board meeting open to the public, before final action is taken and after applicable information concerning the matter, if any, has been made available to the public.

d. Notice of Meetings and Agenda. The proposed agenda of all regular and special meetings of the SPHI board of directors, including the date, time, place and proposed agenda of the meeting, shall be posted online and on the public bulletin board of the South Peninsula Hospital, and a copy made available for posting by the Borough Clerk at least five days prior to the date and time set for the meeting. Should an emergency or other bona fide issue requiring immediate attention arise, a special meeting may be held with notice posted for less than the five days otherwise required by this section.

e. Meetings Unrelated to This Agreement. Nothing in this provision shall be construed to require meetings of the SPHI Board of Directors to be open to the public or to the Borough Contract Administrator when the subject matter discussed is not related to this Agreement.

f. Records. It is further agreed and understood that records of the Medical Facilities managed and operated by SPHI pursuant to this Agreement are subject to the Public Records Act, AS 40.25.100 – 40.25.220 and to KPB 2.54.010 – 2.54.070, including all requirements and exceptions contained therein or listed above, because of its status as an independent contractor of the Borough. Nothing in this section shall be construed to compel public disclosure of internal SPHI documents not related to the management and operation of the Medical Facilities, nor shall SPHI be deemed a public entity or quasi-public corporation unless required by law.

31. EMPLOYEES AND CONTRACTORS. SPHI is an independent business and is not an employee or agent of the Borough, either by virtue of this Agreement or otherwise. SPHI's activities conducted under this Agreement are the activities of SPHI as an independent contractor, and not that of the Borough or the Service Area. SPHI has the exclusive authority to hire and fire employees of the Medical Facilities administered by SPHI, and such employees are the employees of SPHI and not the Borough or Service Area. SPHI shall in no transaction or endeavor make any representation that it has authority to act for the Borough in any capacity or that it has authority to bind the Borough in any manner through its actions. SPHI shall not advertise or hold out its activities under this Agreement as being an operation of the Borough. The decisions and actions permitted and authorized under this Agreement are those of SPHI acting in its capacity as an operator on behalf of the Borough or Service Area and not those of the Borough or the Service Area. The restrictions in this Agreement on SPHI's activities are imposed for the protection of the public funds and assets that the Borough authorized SPHI to utilize as provided in this Agreement.

32. INSPECTION. The Borough reserves the right to enter and inspect the books and records of the Medical Facilities and any other Service Area activity or facility operated by SPHI at any reasonable time during normal business hours for administrative personnel, for the purpose of ensuring compliance with this Agreement and determining the adequacy of the operations, maintenance, upkeep and repair of the Borough's property, and any other matters relating to this Agreement. This does not authorize the Borough to inspect medical, personnel or other records legally considered confidential without other authorization.

33. ASSIGNMENT. SPHI shall not have any power to assign its rights or interests under this Agreement without the prior approval of the Borough Assembly.

34. AMENDMENT. The parties may amend any term in this Agreement by written agreement signed by both parties, subject to approval by the Borough Assembly by resolution.

35. GOOD FAITH AND FAIR DEALING. The respective contract administrators for the parties will interpret the provisions of this Agreement in good faith. The parties will act in accordance with good faith and fair dealing in carrying out their obligations under this Agreement.

36. BREACH AND REMEDIES.

a. By Borough. If the Borough breaches this Agreement by failing to comply with any of the terms and conditions herein and has not cured the breach within sixty (60) days of receipt of written notice thereof from SPHI, SPHI may terminate this Agreement.

b. By SPHI. If SPHI breaches this Agreement by failing to comply with any of the terms and conditions herein, and has not cured the breach within sixty (60) days of receipt of written notice thereof from the Borough, the Borough may terminate this Agreement.

c. Cooperation in Transition. SPHI and Borough agree that if this Agreement is terminated, the parties will cooperate and assist in a smooth transition to another operator of the Medical Facilities.

37. **TERMINATION.** Either of the parties hereto may for the reasons hereinafter set forth in this paragraph terminate this Agreement by giving the other party ninety (90) days' prior notice in writing, sent by certified mail, return receipt requested, or personally delivered. Assembly approval by resolution shall be required for the Borough to terminate this Agreement. Grounds for such termination are:

a. A breach of any of the terms and conditions herein contained when such breach is not remedied as herein provided; or

b. When and if either party, because of conditions beyond its control, is unable to obtain or retain medical doctors to adequately staff the Medical Facilities managed and operated by SPHI either directly or through a contract; or

c. When either party requests a modification of the terms hereof necessary to relieve it from financial loss in the proper conduct, operation and management of the Medical Facilities, and is unable to obtain the consent of the other party to a reasonable change or modification sufficient to alleviate such condition; or

d. If the Borough has received or makes application for and receives financial assistance or grants of operating and capital funds from any government agency, nonprofit foundation, or other entity for Service Area activities administered by SPHI, and SPHI materially breaches the terms of such grant Agreement, the Borough in its sole discretion may determine such breach to be a material breach of this Agreement; or

e. If the Borough Contract Administrator becomes dissatisfied with the performance or results of SPHI's operation and maintenance of any of the Medical Facilities or services provided pursuant to this contract, the Borough Contract Administrator may issue a written notice describing the problem and requesting it be remedied. If the Borough Contract Administrator determines that SPHI has failed to take reasonable action to remedy the problem within sixty (60) days of the written notice, this failure constitutes cause and the Borough may terminate this Agreement.

38. SURRENDER ON TERMINATION. SPHI, upon termination of this Agreement pursuant to the provisions hereof, or any extension thereof, and in the event there is no successor agreement between the parties, shall work cooperatively with the Borough and subsequent operator to facilitate a smooth transition of the operation and management of the Medical Facilities. SPHI shall promptly quit, surrender and reconvey to the Borough and shall surrender its possession and control of all tangible and intangible assets including without limitation all real and personal property covered by this Agreement in as good a state and condition that such property was in on the effective date of this Agreement, normal wear excepted. That property includes, but is not limited to, all rental and leasehold interests of SPHI in all the Medical Facilities, all improvements, capital improvements, fixtures, equipment, materials, supplies, inventory, medical records, business records, revenues, cash, cash equivalents, accounts receivable, trust accounts and other property necessary for or associated with the operation of the Medical Facilities.

Notwithstanding the foregoing, SPHI shall not be required to convey to the Borough such cash, income or other assets, if any, as are received by SPHI from sources independent of and unrelated to this Agreement that were previously disclosed to the Borough as required by this agreement.

SPHI shall give to the Borough, or such other person identified by the Borough, all records required for continued operations of the Medical Facilities.

The parties shall cooperate so that all licenses and permits incident to operation of the Medical Facilities can be transferred or changed to either the Borough or an operator identified by the Borough. SPHI shall file a final cost report with the Borough within 45 days after termination.

39. FINAL ACCOUNTING. Upon termination of this Agreement for any reason there shall be complete accounting and final payment and settlement of accounts within ninety (90) days following the submission of the accounting report covering the period of time from the end of the last fiscal year audit through the end of operation by SPHI.

40. SEVERABILITY. No provision of this Operating Agreement shall be effective which is in violation of any state or federal law or regulation or agreement heretofore entered into between the Borough and any state or federal agency, relating to the use or operation of the Medical Facilities administered by SPHI; provided, however, if one or more provisions of this Agreement are hereinafter determined to be invalid and unenforceable, this shall not operate to defeat or invalidate the remainder of this Agreement unless the lack of enforceability or invalidity has the effect of substantially changing the terms and conditions of this Agreement or operates in such a manner as to invalidate or defeat the primary purpose or objectives of this Agreement.



41. **SUCCESSORS AND ASSIGNS BOUND.** The covenants and conditions herein contained shall apply to bind the successors and assigns of the parties hereto.

42. **TIME OF THE ESSENCE.** Time is declared to be of the essence in this Agreement and each and every term and provision hereof.

43. **FORCE MAJEURE.** Neither party to this Agreement shall be liable for delays in performance or for non-performance directly occasioned or caused by Force Majeure. Force Majeure means any event beyond the reasonable control of the party claiming to be affected thereby including without limitation acts of God, storms, war, fire, strikes of general application, acts of a public enemy, insurrections, riots, or rules or regulations of any governmental authority asserting jurisdiction or control, compliance with which makes continuance of operations impossible. Strikes, lockouts or differences with workers which are limited to SPHI's personnel or those of SPHI's Subcontractors and inability of either party to secure funds shall not be regarded as Force Majeure. Upon the occurrence of Force Majeure, the party affected shall give prompt notice thereof to the other party and shall do all things reasonably necessary to remove or mitigate its effects.

44. **WAIVER.** The waiver by a party hereto of any term covenant or condition herein contained shall not be deemed to be a waiver of such term, condition, covenant, or any subsequent breach of the same or any other term, covenant, or condition herein contained.

45. **VENUE.** Any suit regarding enforcement or application of this Agreement shall be filed and prosecuted in the Kenai Venue District, Third Judicial District, State of Alaska.

46. **NO RIGHTS CONFERRED.** Nothing in this Agreement shall be construed to confer any right or cause of action or suit, either at law or in equity, upon any person, group of persons, firm, corporation or public officer, other than the parties signing this contract, and SPHI shall have no authority to bind the Borough or create any liability on the Borough's part, unless expressly authorized in this Agreement.

47. **NON-COMPETITION.** The parties understand and agree that, except as authorized by the Borough Assembly, SPHI shall not engage in any activities that compete with hospital service area activities within the boundaries of the Service Area during the term of this Agreement, any extension thereof, and for a period of two years from the date this Agreement is terminated. Borough Assembly authorization of such activities may be in the form of a resolution unless an ordinance is otherwise required by law, and may be considered granted if the Borough Assembly appropriates funds for such an activity.

Nothing herein shall be deemed as precluding any person who serves or served as an officer or director of SPHI from engaging in the practice of medicine or other health care-related endeavors. However, no such person may use any “privileged or confidential information” whatsoever gained from their involvement with SPHI as an officer or director, to compete with SPHI or Service Area activities while serving as an officer or director, or for a period of two years thereafter, unless a longer period is required by law, from the date the person ends their service as an officer or director of SPHI, within the boundaries of the Service Area. “Privileged or confidential information” has the meaning defined in paragraph 29.a above. Any information in the public domain or that becomes part of the public domain as a public record, pursuant to paragraph 29.f, above, is not “privileged or confidential information.”

48. CONTRACT ADMINISTRATION. The Borough Mayor is the Borough Contract Administrator under this Agreement. The President of SPHI is the administrator of this Agreement on behalf of SPHI.

49. INTEGRATION. This Agreement, the Agreements described in section 2, all amendments to those Agreements, and all attachments to this agreement which are integrated herein, constitute the entire agreement between the parties. This Agreement supersedes all previous communications, memoranda, correspondence, proposals, understandings, agreements and contracts, both verbal and written, between these parties. Both parties specifically acknowledge that, in entering into and executing this Agreement, they rely solely upon the representations and agreements contained in this Agreement and no others. No oral statements or prior written material not specifically incorporated herein shall be recognized by either party or bind either party unless incorporated herein by amendment, such amendment to become effective on the date stipulated in such amendment. Further, this Agreement may not be enlarged, modified, amended, supplemented, or altered except by amendment pursuant to this Agreement.

50. RECITALS. The Recitals to this Agreement are hereby incorporated into this Agreement as if fully set forth herein.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL,  
INC.

By: \_\_\_\_\_  
Honorable Charlie Pierce  
Its: Mayor

By: \_\_\_\_\_  
David Groesbeck  
Its: President, Board of Directors

Approved by KPB Ord. 2019-\_\_\_\_  
Date:

Approved by SPHI Motion \_\_\_\_\_  
Date:

ATTEST:

By: \_\_\_\_\_  
Johni Blankenship, Borough Clerk

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: \_\_\_\_\_  
Borough Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

\_\_\_\_\_  
Notary Public for State of Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by David Groesbeck, the President of South Peninsula Hospital, Inc., a non-profit corporation, for and on behalf of the corporation.

\_\_\_\_\_  
Notary Public for State of Alaska  
My Commission Expires: \_\_\_\_\_

## EXHIBIT A

### DESCRIPTION OF MEDICAL FACILITIES

The Borough leases the following described property to SPHI (hereinafter the “Medical Facilities”) for the term of this Agreement and any extension thereof:

a. The South Peninsula Hospital and its grounds, located at 4300 Bartlett Street, Homer, Alaska, owned by the City of Homer, more particularly described as:

Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed under Plat No. 2006-38 Homer Recording District, Third Judicial District, State of Alaska.

b. The hospital parking lot property and buildings owned by the Borough, more particularly described as:

Lots 3, 4, 5 and 6, Block 7; Lot 4, Block 8, Lot 6, Block 9, Fairview Subdivision Plat No. HM 56-2936 Volume 8, Page 196, Homer Recording District, Third Judicial District, State of Alaska.

c. The following leased property located at 4251 Bartlett Street, Homer, Alaska, owned by Mark Halpin and B. Isabel Halpin subject to the terms and conditions of the lease, more particularly described as:

L2-A Block 8 Fairview Subdivision Halpin Addition, according to Plat No. 2009-43, Homer Recording District, Third Judicial District, State of Alaska,

d. 4,904 sq. ft. of office space located at 4136 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease, more particularly described as:

Lot 2-A, Block 5, Fairview Subdivision No. 11, as shown on Plat No. 85-28, Homer Recording District, Third Judicial District, State of Alaska.

e. Approximately 1,500 square feet of the office space owned by Westwing LLC located at 4117 Bartlett Street, Homer, Alaska 99603

subject to the terms and conditions of the lease, more particularly described as:

Lot 4, Block 10, Fairview Subdivision, as shown on Plat No. 56-2936, Homer Recording District, Third Judicial District, State of Alaska.

f. 3,780 square feet of office space and 3,225 square feet of basement office space both within the Kachemak Bay Professional Building, 4201 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease more particularly described as:

Lot 1-A Block 9, Fairview Subdivision 2003 Addition, as shown on Plat No. 2004-101, Homer Recording District, Third Judicial District, State of Alaska.

g. The following leased property owned by Jonas Ridge, LLC located at 203 Pioneer Avenue, Suite 1, Homer, Alaska 99603, subject to the terms and conditions of the lease, more particularly described as:

Tract A, Chamberlain & Watson Sub Plat of Tract A, Section 19, T6S, R13W, S.M., Plat 075063, Homer Recording District, Third Judicial District, State of Alaska.

h. Office space owned by the Kenai Peninsula Borough located at 348 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 4, Block 8, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

i. Office space owned by the Kenai Peninsula Borough located at 347 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 6, Block 9, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

j. Such other Borough-owned or leased facilities, if any, as are authorized by the Borough pursuant to this Agreement for SPHI to sublease and operate pursuant to this Agreement.

# EXHIBIT B



## October 2017 Financial Performance Report

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## South Peninsula Hospital

### CFO Report FY 2018 Overview of October Financials

#### Income Statement-

##### Patient Service Revenue (PSR)

Inpatient PSR of \$2.2M is down \$478K from September and budget by \$308K, this is attributed to an increase in Medicare/Medicaid, almost half patient days were swing days (110/267=42%) as reflected in the elevated LOS. We experienced a slight increase in Medicare payer mix to 39% from 35% in September and drop in Commercial to 28% from 34% which negatively impacts our contractual deductions. LTC was slightly ahead of September and budget, currently census is at 100% ahead of budget by 4% YTD. Outpatient Ancillary at \$6.5M is down from Sept by \$673K of most attributed to less lab and ER charges offset by increases in surgery charges.

##### Deductions for Contractual and Bad Debt

Contractual discounts were down in October which averaged 35% from September's 38% due to the shift from inpatient to outpatient revenue and a positive adjustment of \$167K to Medicare contractual from a more favorable settlement payment on the FY 2016 Cost Report than estimated. Additionally, we had a substantial drop in bad debt as the Aging continues to improve for the hospital AR and we have flushed out most of the old clinic and LTC AR from Evident. Since our bad debt reserve % is higher for the older aging buckets so our reserve against AR is dropping each month. Back in January we had \$6.6M in over 120 days old and at the end of October we have less than \$5M. Charity care had trended down as we have processed all approved applications but we had several large applications approved for high dollar surgeries for several Medicare age patients who can't afford the co-pays and deductibles. It's rewarding to assist many of the families or couples from our community who have applied recently they are truly deserving of the assistance.

##### Volumes for October

Acute care occupancy down at 41% (PY October also 41%) compared to 568 in September. Our LOS is running high at 4.3 but down from 5.8 in September, YTD is 4.3 still high for a CAH and acute/swing days were 267, YTD we are above prior year with an average of 300 days compared to 294 days for the first 4 months of the fiscal year. October's ADC (average daily census) of 8.6 is well below avg of 11.3 in September as reflected in our patient days.

October surgical volumes picked up slightly to 15 inpatient surgeries and 117 O/P surgeries from 84 in September; contributing to improved revenues for surgery (Dr. Sintenga had 29 surgeries been gone since July and now again until January). So far this year we are trending down 11%, 390 surgeries YTD versus 453 YTD in FY2017. Bohling (30), Hough-E (16) and Adcox-E (14) and Ostrom-E (9) comprise 58% of Surgeries in October. E=Employed

The remainder of the outpatient departments had solid volumes in October, with total lab tests at 11,002 (health fair month) compared to 9,042 last October (drop from 12,071 in September-employee and health fair labs) and Radiology had 1,334 procedures compared to 1,380 last October but in line with September's 1,422. ER was down in October at 353 visits versus September at 449 but up from 404 visits last October. Even with less ER visits we had 35 inpatient admissions to Acute/ICU compared to 39 last month.

**LTC occupancy was at 98%.** AR at 10/31/17 was little over \$950K with AR over 120 less than \$25K. We have 2 residents with \$250K of outstanding AR going back to July and August due to the State requesting reapplication for services, the new LTC Director and I met this week and she is investigating the status.

##### Operating Expenses



Overall, expenses of **\$5.9M were within \$200K of September** and were 2% or \$120K below budget of \$6M due to favorable budget variances in most expense categories except supplies and professional fees. YTD total expenses are at \$22,683K compared to a budget of \$23,994K, a favorable variance of 5.5% and we are only trending up slightly from the PY YTD of \$22,065 which is less than 3% increase.

Overall most categories are below budget YTD except for contract staffing some of which is due to prior year invoices submitted in FY18. We are down to 6 travelers this year from a high of 17 in the prior year and are our cap for FY 18. Software maintenance was budgeted in R&M but netted against the favorable variance we are still over due to timing and unbudgeted expenditures.

#### Overall Results and Non-Recurring Expense

**Operations resulted in a surplus of 3.2% or \$194K above budget for October** which was anticipated to be break even. The total surplus for October was \$552K or 9.0% compared to \$279K budgeted or 4.6% putting us at 12.7%. **YTD we are at \$3.4M thru first 4 months of FY18; this is compared to 8.4% and \$2.1M in the budget a favorable variance of \$1.3M or 60%.** In prior year the total surplus YTD was \$668K so we are ahead of prior year by \$2.7M.

It is essential that we stay focused on cost reductions as our Commercial volume is highly concentrated with few payers (Blue Cross, Triwest and Aetna) and unreliable month to month and government changes will most likely continue to erode our reimbursement and it comprised **Medicare/Medicaid represent 68%** of our revenues for the past 12 months.

#### BALANCE SHEET

Cash is up from September at \$13.7M versus \$11.7M and day's cash on hand for operations is at 75 days. The Cash collections report highlights where our collections spiked in October as the revenue cycle team continues to improve in all areas. Net Accounts Receivable is down slightly from September at \$10.5M compared to \$10.9M and I anticipate this will be predictable level for FY18. **October collections were \$6.3M from operations and we received \$680K for cost reports settlements from Medicare boosting total cash collections to \$7M our highest month in history.**

South Peninsula Hospital  
BALANCE SHEET  
FOR THE MONTH ENDING: 10/31/17

|  | This Year<br>10/31/17 | Last Year<br>10/31/16 | Last Month<br>09/30/17 |
|--|-----------------------|-----------------------|------------------------|
| <b>ASSETS</b>                          |                       |                       |                        |
| <b>CURRENT ASSETS</b>                  |                       |                       |                        |
| CASH AND CASH EQUIVALENTS              | 13,612,930            | 7,134,664             | 13,741,431             |
| EQUITY IN CENTRAL TREAS-KPB            | 7,173,824             | 3,655,499             | 7,173,999              |
|  | -----                 | -----                 | -----                  |
| TOTAL CASH AND CASH EQUIVALENTS        | 20,786,754            | 10,790,164            | 20,915,430             |
| PATIENT RECEIVABLES                    | 19,541,786            | 19,138,895            | 18,627,400             |
| LESS ESTIMATED UNCOLLECTIBLES          | (8,350,406)           | (7,222,585)           | (8,108,286)            |
|  | -----                 | -----                 | -----                  |
| NET PATIENT ACCT RECEIVABLE            | 11,191,379            | 11,916,309            | 10,519,113             |
| PROPERTY TAXES RECV - KPB              | 163,250               | 144,246               | 163,250                |
| LESS: ALLOW PROP TAX - KPB             | (3,842)               | (3,598)               | (3,842)                |
|  | -----                 | -----                 | -----                  |
| NET PROPERTY TAX RECV - KPB            | 159,407               | 140,647               | 159,407                |
| OTHER RECEIVABLES                      | 276,231               | 116,843               | 238,149                |
| INVENTORIES                            | 1,801,285             | 1,888,789             | 1,813,691              |
| PREPAID EXPENSES                       | 753,302               | 661,536               | 714,045                |
|  | -----                 | -----                 | -----                  |
| TOTAL CURRENT ASSETS                   | 34,968,362            | 25,514,291            | 34,359,839             |
| <b>ASSETS WHOSE USE IS LIMITED</b>     |                       |                       |                        |
| EMPLOYEE HEALTH RESERVE                | 108,697               | 108,396               | 108,697                |
| MALPRACTICE RESERVE                    | 85,000                | 85,000                | 85,000                 |
| STUDENT LOAN PROGRAM                   |                       | 3,584                 |                        |
| OTHER RESTRICTED FUNDS                 | 18,364                | 18,364                | 18,364                 |
|  | -----                 | -----                 | -----                  |
| TOTAL ASSETS WHOSE USE IS LIMITED      | 212,062               | 215,346               | 212,062                |
| <b>CAPITAL ASSETS</b>                  |                       |                       |                        |
| LAND AND LAND IMPROVEMENTS             | 3,816,772             | 3,816,772             | 3,816,772              |
| BUILDING                               | 56,585,542            | 56,333,204            | 56,459,983             |
| EQUIPMENT                              | 23,309,382            | 22,233,546            | 23,309,382             |
| IMPROVEMENTS OTHER THAN BUILDINGS      | 140,474               | 140,474               | 140,474                |
| CONSTRUCTION IN PROGRESS               | 4,159,008             | 526,753               | 4,124,059              |
| LESS: ACCUMULATED DEPRECIATION         | (45,710,704)          | (42,816,789)          | (45,467,021)           |
|  | -----                 | -----                 | -----                  |
| NET CAPITAL ASSETS                     | 42,300,476            | 40,233,961            | 42,383,651             |
|  | -----                 | -----                 | -----                  |
| TOTAL ASSETS                           | 77,480,901            | 65,963,599            | 76,955,553             |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                       |                       |                        |
| PENSION RELATED                        | 1,361,341             | 1,523,460             | 1,361,341              |
| UNAMORTIZED DEFERRED CHARGE ON REFUNDI | 818,347               | 921,256               | 818,347                |
|  | -----                 | -----                 | -----                  |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES   | 2,179,688             | 2,444,716             | 2,179,688              |
|  | -----                 | -----                 | -----                  |
| TOTAL ASSETS AND DEFERRED OUTFLOWS O   | 79,660,589            | 68,408,316            | 79,135,241             |

|                                       | =====      | =====      | =====      |
|---------------------------------------|------------|------------|------------|
| LIABILITIES                           |            |            |            |
| CURRENT LIABILITIES:                  |            |            |            |
| ACCOUNTS AND CONTRACTS PAYABLE        | 2,427,040  | 1,003,332  | 2,687,367  |
| ACCRUED LIABILITIES                   | 6,691,358  | 4,544,502  | 6,001,817  |
| DEFERRED CREDITS                      | 128,363    | 104,535    | 138,745    |
| CURRENT PORTION OF NOTE DUE KPB       |            |            |            |
| CURRENT PORTION OF BONDS PAYABLE      | 1,440,000  | 1,195,000  | 1,440,000  |
| BOND INTEREST PAYABLE                 | 211,924    | 199,675    | 211,924    |
| ADVANCES FROM MEDICAID                | 265,659    | 1,000,444  | 395,774    |
| CURRENT PORTION OF CAPITAL LEASE      | (42,366)   | 41,153     | (27,939)   |
|                                       | -----      | -----      | -----      |
| TOTAL CURRENT LIABILITIES             | 11,121,979 | 8,088,642  | 10,847,690 |
| LONG-TERM LIABILITIES                 |            |            |            |
| BONDS PAYABLE NET OF CURRENT PORTION  | 16,645,000 | 13,890,000 | 16,645,000 |
| PREMIUM ON BONDS PAYABLE              | 1,869,660  | 1,457,160  | 1,869,660  |
| CAPITAL LEASE, NET OF CURRENT PORTION | 215,221    | 215,221    | 215,221    |
| NET PENSION LIABILITY                 | 1,954,217  | 2,203,993  | 1,954,217  |
|                                       | -----      | -----      | -----      |
| TOTAL NONCURRENT LIABILITIES          | 20,684,098 | 17,766,375 | 20,684,098 |
| TOTAL LIABILITIES                     | 31,806,077 | 25,855,017 | 31,531,789 |
| DEFERRED INFLOW OF RESOURCES          |            |            |            |
| PROPERTY TAXES RECEIVED IN ADVANCE    | 716,695    | 524,705    | 716,695    |
| NET POSITION                          |            |            |            |
| INVESTED IN CAPITAL ASSETS            | 5,731,962  | 5,731,962  | 5,731,962  |
| CONTRIBUTED CAPITAL - KPB             |            |            |            |
| RESTRICTED                            | 25,286     | 25,286     | 25,286     |
| UNRESTRICTED FUND BALANCE - SPH       | 42,119,532 | 37,027,118 | 41,566,960 |
| UNRESTRICTED FUND BALANCE - KPB       | (738,964)  | (755,774)  | (437,451)  |
|                                       | -----      | -----      | -----      |
| TOTAL NET POSITION                    | 47,854,512 | 42,553,298 | 47,603,452 |
| TOTAL LIAB , DEFERRED INFLOW & NET P  | 79,660,589 | 68,408,316 | 79,135,241 |
|                                       | =====      | =====      | =====      |

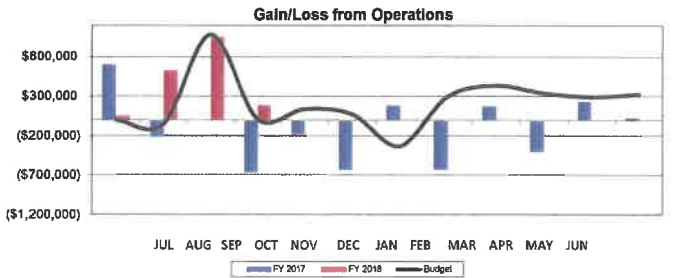
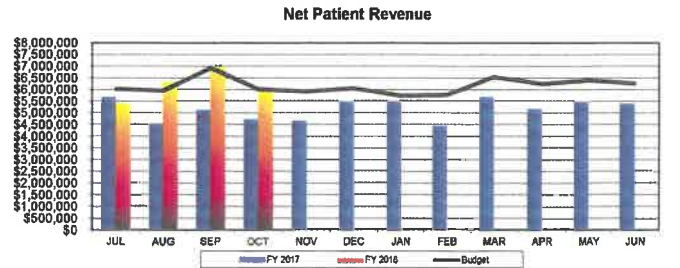
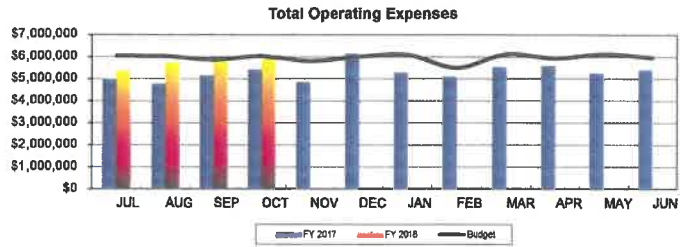
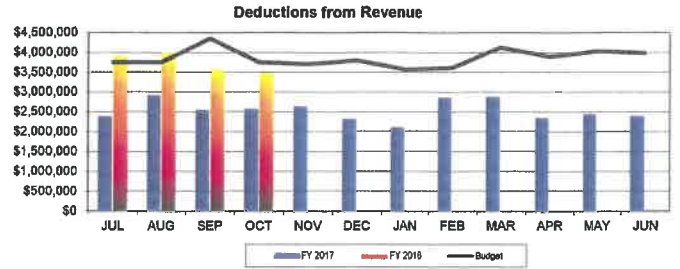
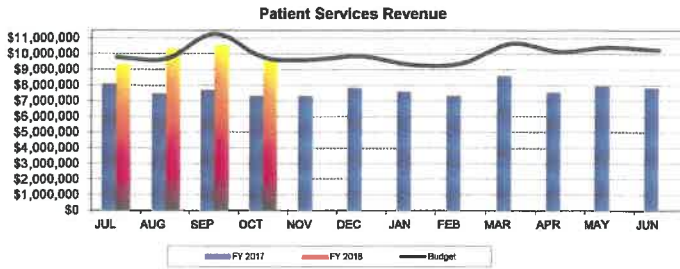
SOUTH PENINSULA HOSPITAL  
Summary Income Statement  
FOR THE 4 MONTHS ENDING 10/31/17

|                         | ----- S I N G L E M O N T H ----- |           |             |       | ----- Y E A R T O D A T E ----- |            |             |       |
|-------------------------|-----------------------------------|-----------|-------------|-------|---------------------------------|------------|-------------|-------|
|                         | ACTUAL                            | BUDGET    | \$ VARIANCE | % VAR | ACTUAL                          | BUDGET     | \$ VARIANCE | % VAR |
| REVENUES                |                                   |           |             |       |                                 |            |             |       |
| PATIENT SERVICE REVENUE |                                   |           |             |       |                                 |            |             |       |
| INPATIENT               | 2,178,209                         | 2,485,995 | (307,785)   | (12)  | 9,893,774                       | 10,971,524 | (1,077,749) | (9)   |
| OUTPATIENT              | 6,510,143                         | 6,484,480 | 25,663      | 0     | 26,563,099                      | 26,352,615 | 210,483     | 0     |
| LONG TERM CARE          | 838,524                           | 804,452   | 34,071      | 4     | 3,361,501                       | 3,217,810  | 143,691     | 4     |
| TOTAL PATIENT           | 9,526,877                         | 9,774,927 | (248,050)   | (2)   | 39,818,376                      | 40,541,950 | (723,574)   | (1)   |
| DEDUCTIONS FROM REVENUE |                                   |           |             |       |                                 |            |             |       |
| MEDICARE                | 1,596,914                         | 1,580,480 | (16,434)    | (1)   | 7,491,891                       | 6,575,577  | (916,313)   | (13)  |
| MEDICAID                | 718,133                           | 1,170,725 | 452,592     | 38    | 4,225,548                       | 4,870,795  | 645,247     | 13    |
| CHARITY CARE            | 185,082                           | 141,361   | (43,721)    | (30)  | 543,402                         | 588,132    | 44,729      | 7     |
| OTHER ADJUSTMENT        | 867,639                           | 628,422   | (239,216)   | (38)  | 2,488,164                       | 2,614,547  | 126,382     | 4     |
| BAD DEBT                | 95,268                            | 231,012   | 135,743     | 58    | 396,201                         | 961,124    | 564,922     | 58    |
| TOTAL DEDUCTIO          | 3,463,038                         | 3,752,001 | 288,962     | 7     | 15,145,209                      | 15,610,177 | 464,967     | 2     |
| NET PATIENT SE          | 6,063,838                         | 6,022,926 | 40,911      | 0     | 24,673,167                      | 24,931,773 | (258,606)   | (1)   |
| OTHER REVENUE           | 52,634                            | 27,242    | 25,391      | 93    | 146,374                         | 108,008    | 38,365      | 35    |
| TOTAL OPERATIN          | 6,116,472                         | 6,050,169 | 66,303      | 1     | 24,819,541                      | 25,039,782 | (220,240)   | (0)   |
| OPERATING EXPENSES      |                                   |           |             |       |                                 |            |             |       |
| SALARIES & WAGES        | 2,674,439                         | 2,739,871 | 65,431      | 2     | 10,741,095                      | 10,861,632 | 120,536     | 1     |
| EMPLOYEE BENEFIT        | 1,192,862                         | 1,274,854 | 81,992      | 6     | 4,357,947                       | 5,053,999  | 696,052     | 13    |
| SUPPLIES DRUGS &        | 661,778                           | 619,877   | (41,901)    | (6)   | 2,325,333                       | 2,502,100  | 176,767     | 7     |
| CONTRACT STAFFIN        | 82,363                            | 75,267    | (7,096)     | (9)   | 493,721                         | 335,013    | (158,708)   | (47)  |
| PROFESSIONAL FEE        | 589,473                           | 542,818   | (46,655)    | (8)   | 1,923,287                       | 2,152,132  | 228,844     | 10    |
| UTILITIES & TELE        | 109,250                           | 113,296   | 4,045       | 3     | 414,851                         | 449,187    | 34,336      | 7     |
| INSURANCE               | 39,249                            | 44,402    | 5,152       | 11    | 169,457                         | 176,023    | 6,565       | 3     |
| DUES BOOKS SUBSC        | 20,267                            | 24,744    | 4,476       | 18    | 90,227                          | 98,130     | 7,903       | 8     |
| SOFTWARE MAINT/S        | 83,028                            | 0         | (83,028)    | (0)   | 206,254                         | 0          | (206,254)   | (0)   |
| TRAVEL MEETINGS         | 22,045                            | 52,746    | 30,700      | 58    | 94,957                          | 183,489    | 88,531      | 48    |
| REPAIRS & MAINTE        | 97,174                            | 125,859   | 28,685      | 22    | 403,550                         | 498,995    | 95,445      | 19    |
| LEASES & RENTALS        | 41,036                            | 48,441    | 7,404       | 15    | 201,279                         | 192,056    | (9,222)     | (4)   |
| OTHER OP EXPENSE        | 65,442                            | 131,836   | 66,394      | 50    | 286,830                         | 520,208    | 233,377     | 44    |
| DEPRECIATION            | 243,683                           | 244,851   | 1,168       | 0     | 973,841                         | 970,661    | (3,179)     | (0)   |
| TOTAL OPERATIN          | 5,922,096                         | 6,038,867 | 116,770     | 1     | 22,682,635                      | 23,993,631 | 1,310,995   | 5     |
| GAIN (LOSS) FR          | 194,376                           | 11,302    | 183,074     | 1619  | 2,136,905                       | 1,046,151  | 1,090,754   | 104   |

SOUTH PENINSULA HOSPITAL  
 Summary Income Statement  
 FOR THE 4 MONTHS ENDING 10/31/17

|                         | ----- S I N G L E M O N T H ----- |         |             |       | ----- Y E A R T O D A T E ----- |           |             |       |
|-------------------------|-----------------------------------|---------|-------------|-------|---------------------------------|-----------|-------------|-------|
|                         | ACTUAL                            | BUDGET  | \$ VARIANCE | % VAR | ACTUAL                          | BUDGET    | \$ VARIANCE | % VAR |
| NON-OPERATING REVENUES: |                                   |         |             |       |                                 |           |             |       |
| GENERAL PROPERTY        | 377,173                           | 344,998 | 32,175      | 9     | 1,508,692                       | 1,367,815 | 140,876     | 10    |
| GAIN (LOSS) ON D        | (2,306)                           | 0       | (2,306)     | (0)   | (2,306)                         | 0         | (2,306)     | (0)   |
|                         | -----                             | -----   | -----       |       | -----                           | -----     | -----       |       |
| TOTAL NON-OPER          | 374,866                           | 344,998 | 29,868      | 8     | 1,506,386                       | 1,367,815 | 138,570     | 10    |
| NON-OPERATING EXPENSES: |                                   |         |             |       |                                 |           |             |       |
| SERVICE AREA BOA        | (35,616)                          | 13,769  | 49,385      | 358   | 32,371                          | 54,585    | 22,214      | 40    |
| ADMINISTRATION N        | 0                                 | 0       | 0           | 0     | 3,664                           | 0         | (3,664)     | (0)   |
| INTEREST EXPENSE        | 65,660                            | 63,428  | (2,231)     | (3)   | 262,640                         | 251,448   | (11,192)    | (4)   |
|                         | -----                             | -----   | -----       |       | -----                           | -----     | -----       |       |
| TOTAL NON-OPER          | 30,044                            | 77,197  | 47,153      | 61    | 298,675                         | 306,034   | 7,358       | 2     |
| GRANTS:                 |                                   |         |             |       |                                 |           |             |       |
| GRANT REVENUE           | 10,233                            | 0       | 10,233      | 0     | 10,318                          | 0         | 10,318      | 0     |
|                         | -----                             | -----   | -----       |       | -----                           | -----     | -----       |       |
| TOTAL GRANT RE          | 10,233                            | 0       | 10,233      | 0     | 10,318                          | 0         | 10,318      | 0     |
|                         | -----                             | -----   | -----       |       | -----                           | -----     | -----       |       |
| INCOME (LOSS)           | 549,432                           | 279,102 | 270,329     | 96    | 3,354,934                       | 2,107,932 | 1,247,002   | 59    |
| OPERATING TRANSF        | 3,140                             | 0       | 3,140       | 0     | 3,140                           | 0         | 3,140       | 0     |
| NET INCOME              | 552,572                           | 279,102 | 273,469     | 97    | 3,358,074                       | 2,107,932 | 1,250,142   | 59    |
|                         | =====                             | =====   | =====       |       | =====                           | =====     | =====       |       |

Executive Summary



%

**PERFORMANCE INDICATORS REPORT FY2017**

YTD

| Indicator                                  | Oct-17              | Prior Year          | Target              | Variance         |
|--|---------------------|---------------------|---------------------|------------------|
| Gross Patient Revenue                      | \$39,818,374        | 32,288,110          | \$40,541,951        | -\$723,576       |
| Deductions From Revenue                    | \$14,945,208        | 10,748,535          | \$15,610,177        | \$664,969        |
| Net Patient Revenue                        | \$24,873,166        | 21,539,574          | \$24,931,774        | -\$58,607        |
| Acute Care Occupancy including Observation | 47%                 | 48%                 | 50%                 | -3.0%            |
| Average Length of Stay                     | 4.30                | 2.97                | 4.00                | 0.3              |
| Total Surgeries                            | 453                 | 520                 | 500                 | (47)             |
| Emergency Room Visits                      | 1,805               | 1,997               | 2,000               | (195)            |
| Average Daily Revenue                      | \$436,366           | 1,997               | \$444,295           | -\$7,930         |
| Inpatient Charge per Patient Day           | \$89,437            | \$87,438            | \$89,199            | (8,762)          |
| Outpatient Charge per visit *              |                     | 1,071               |                     | 0                |
| <b>Total Operating Expense</b>             | <b>\$23,065,043</b> | <b>\$22,064,600</b> | <b>\$23,993,631</b> | <b>\$928,588</b> |
| Gain/Loss from Operations                  | \$1,954,496         | -\$426,864          | \$1,046,151         | \$908,345        |
| EBITDA                                     | \$2,928,337         | \$543,349           | \$2,016,813         | \$911,524        |
| Net Income                                 | \$2,909,361         | \$668,961           | \$3,358,075         | -\$448,714       |
| Average Daily Expense                      | \$187,521           | \$179,276           | \$195,070           | \$7,549          |
| <b>Cash on Hand - Bank</b>                 | <b>\$13,612,930</b> | <b>7,134,665</b>    | <b>\$17,556,315</b> | <b>3,230,440</b> |
| Cash on Hand - KPB Investment              | \$7,173,825         | \$189,523           |                     |                  |
| Days of Cash on Hand without Investment    | 73                  | 42                  | 60                  | 13               |
| Net Accounts Receivable Days               | 55                  | 72                  | 45                  | (10)             |
| Gross Accounts Receivable Days             | 45                  | 71                  | 45                  | 0                |
| <b>Payer Mix</b>                           |                     |                     |                     |                  |
| Medicare                                   | 38.72%              | 35.35%              | 40.0%               | -1.3%            |
| Medicaid                                   | 29.65%              | 35.97%              | 25.0%               | 4.7%             |
| Commercial                                 | 28.05%              | 20.30%              | 35.0%               | -7.0%            |
| Self-Pay                                   | 3.58%               | 8.38%               | 5.0%                | -1.4%            |
| <b>Contractual % by Payer</b>              |                     |                     |                     |                  |
| Medicare                                   | 49.7%               | 36.0%               | 45.0%               | -4.7%            |
| Medicaid                                   | 38.2%               | 23.6%               | 30.0%               | -8.2%            |
| Commercial                                 | 20.7%               | 30.3%               | 20.0%               | -0.7%            |
| Self-Pay                                   | 58.9%               | 70.8%               | 10.0%               | -48.9%           |

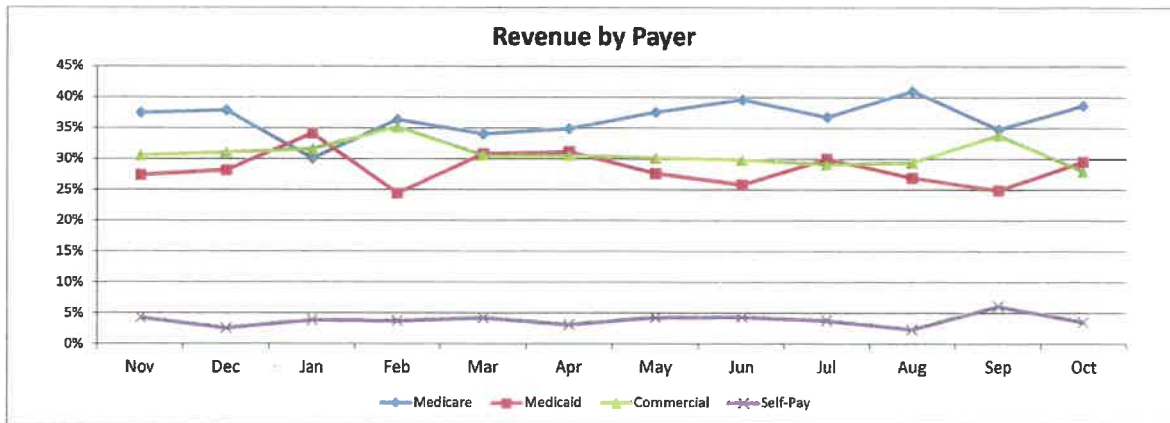
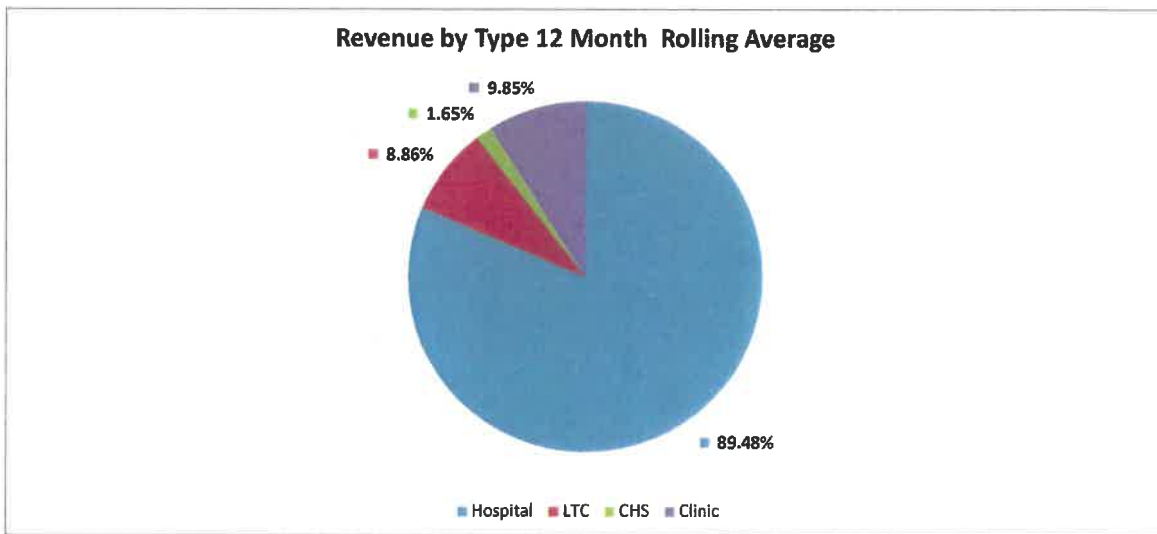
SPH Revenue by Type Table FY2018

|              | Nov                 | Dec                 | Jan                 | Feb                 | Mar                  | Apr                 | May                  | Jun                  | Jul                  | Aug                  | Sep                  | Oct                  | Average             |
|--------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Hospital     | \$ 7,724,270        | \$ 8,488,831        | \$ 8,859,563        | \$ 9,232,427        | \$ 9,135,857         | \$ 8,794,639        | \$ 9,517,579         | \$ 9,303,211         | \$ 8,871,422         | \$ 8,369,667         | \$ 8,731,266         | \$ 7,909,658         | \$ 8,470,506        |
| LTC          | \$ 761,545          | \$ 804,533          | \$ 747,734          | \$ 695,968          | \$ 777,303           | \$ 732,186          | \$ 754,585           | \$ 770,849           | \$ 755,588           | \$ 838,152           | \$ 793,578           | \$ 968,562           | \$ 838,970          |
| CHS          | \$ 120,024          | \$ 116,040          | \$ 114,482          | \$ 71,180           | \$ 137,259           | \$ 60,569           | \$ 52,496            | \$ 46,754            | \$ 89,850            | \$ 110,754           | \$ 114,132           | \$ 310,822           | \$ 156,389          |
| Clinic       |                     |                     |                     |                     |                      |                     |                      |                      | \$ 801,955           | \$ 964,078           | \$ 944,134           | \$ 1,020,929         | \$ 932,774          |
| <b>Total</b> | <b>\$ 8,605,838</b> | <b>\$ 9,324,404</b> | <b>\$ 9,721,779</b> | <b>\$ 9,999,575</b> | <b>\$ 10,050,418</b> | <b>\$ 9,587,394</b> | <b>\$ 10,324,659</b> | <b>\$ 10,120,815</b> | <b>\$ 10,518,815</b> | <b>\$ 10,282,650</b> | <b>\$ 10,583,110</b> | <b>\$ 10,209,981</b> | <b>\$ 9,465,865</b> |

|              |                     |                     |                     |                     |                      |                     |                      |                      |                     |                      |                      |                      |                     |
|--------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| Medicare     | \$ 3,234,896        | \$ 3,540,893        | \$ 2,928,463        | \$ 3,647,963        | \$ 3,432,053         | \$ 3,355,082        | \$ 3,889,680         | \$ 4,020,845         | \$ 3,213,491        | \$ 4,225,632         | \$ 3,693,994         | \$ 3,953,702         | \$ 3,771,680        |
| Medicaid     | \$ 2,363,455        | \$ 2,635,095        | \$ 3,330,716        | \$ 2,452,022        | \$ 3,107,365         | \$ 2,995,673        | \$ 2,863,387         | \$ 2,622,757         | \$ 2,622,408        | \$ 2,777,375         | \$ 2,645,240         | \$ 3,028,900         | \$ 2,767,981        |
| Commercial   | \$ 2,639,739        | \$ 2,904,229        | \$ 3,082,461        | \$ 3,524,050        | \$ 3,084,394         | \$ 2,936,819        | \$ 3,126,431         | \$ 3,033,100         | \$ 2,544,727        | \$ 3,034,377         | \$ 3,592,345         | \$ 2,864,244         | \$ 3,008,923        |
| Self-Pay     | \$ 357,748          | \$ 244,248          | \$ 380,138          | \$ 375,540          | \$ 426,605           | \$ 299,920          | \$ 445,162           | \$ 444,113           | \$ 333,349          | \$ 245,268           | \$ 651,591           | \$ 365,134           | \$ 398,835          |
| <b>Total</b> | <b>\$ 8,605,838</b> | <b>\$ 9,324,404</b> | <b>\$ 9,721,779</b> | <b>\$ 9,999,575</b> | <b>\$ 10,050,418</b> | <b>\$ 9,587,394</b> | <b>\$ 10,324,659</b> | <b>\$ 10,120,815</b> | <b>\$ 8,713,975</b> | <b>\$ 10,282,650</b> | <b>\$ 10,583,110</b> | <b>\$ 10,209,981</b> | <b>\$ 9,947,428</b> |

|              |                |                |                |                |                |                |                |                |                |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Hospital     | 89.76%         | 90.13%         | 91.13%         | 92.33%         | 90.90%         | 91.73%         | 92.18%         | 91.92%         | 84.34%         | 81.40%         | 82.50%         | 77.47%         | 89.48%         |
| LTC          | 8.85%          | 8.53%          | 7.69%          | 6.96%          | 7.73%          | 7.64%          | 7.31%          | 7.62%          | 7.18%          | 8.15%          | 7.50%          | 9.49%          | 8.85%          |
| CHS          | 1.39%          | 1.24%          | 1.18%          | 0.71%          | 1.37%          | 0.63%          | 0.51%          | 0.46%          | 0.85%          | 1.08%          | 1.08%          | 3.04%          | 1.65%          |
| Clinic       | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 7.62%          | 9.38%          | 8.92%          | 10.00%         | 9.85%          |
| <b>Total</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

|              |                |                |                |                |                |                |                |                |                |                |                |                |                |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Medicare     | 37.59%         | 37.97%         | 30.12%         | 36.48%         | 34.15%         | 34.99%         | 37.67%         | 39.73%         | 36.88%         | 41.09%         | 34.90%         | 38.72%         | 37.92%         |
| Medicaid     | 27.46%         | 28.26%         | 34.26%         | 24.52%         | 30.92%         | 31.24%         | 27.73%         | 25.91%         | 30.09%         | 27.01%         | 24.99%         | 29.65%         | 27.53%         |
| Commercial   | 30.67%         | 31.15%         | 31.71%         | 35.24%         | 30.69%         | 30.63%         | 30.28%         | 29.97%         | 29.20%         | 29.51%         | 33.94%         | 28.05%         | 30.25%         |
| Self-Pay     | 4.27%          | 2.62%          | 3.91%          | 3.76%          | 4.24%          | 3.13%          | 4.31%          | 4.39%          | 3.83%          | 2.39%          | 6.16%          | 3.58%          | 4.01%          |
| <b>Total</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |





**ACUTE CARE INCLUDING SWING BED**

| PATIENT DAYS | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| TOTAL FY 18  | 236 | 346 | 352 | 267 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 1,201  | 300.3           | 1.8%           |
| TOTAL FY 17  | 294 | 335 | 341 | 269 | 302 | 280 | 211 | 314 | 314 | 346 | 317 | 216 | 3,539  | 294.9           | -4.6%          |
| TOTAL FY 16  | 308 | 282 | 292 | 325 | 356 | 329 | 299 | 234 | 332 | 352 | 332 | 270 | 3,711  | 309.3           | 6.3%           |

|                  |     |     |     |     |     |     |     |     |     |     |     |     |      |      |  |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|--|
| FY 17 ADMISSION  | 71  | 80  | 68  | 62  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 281  | 70.3 |  |
| FY17 AVERAGE LOS | 3.3 | 4.3 | 5.2 | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 17.1 | 4.3  |  |

| ACUTE CARE OCCUP   | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|--------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| % OCC FOR MONTH    | 36% | 53% | 56% | 41% | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  |
| % OCC YEAR TO DATE | 36% | 45% | 48% | 47% | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  |

**LTC**

| PATIENT DAYS | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|--------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| LTC 18       | 868 | 868 | 840 | 850 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 3,426  | 856.5           | 7.6%           |
| LTC 17       | 830 | 850 | 804 | 825 | 795 | 811 | 779 | 728 | 796 | 755 | 783 | 795 | 9,551  | 795.9           | -1.3%          |
| LTC 16       | 843 | 864 | 822 | 834 | 780 | 836 | 811 | 776 | 785 | 754 | 792 | 779 | 9,676  | 806.3           | -4.6%          |

**LTC OCCUPANCY**

|                    |      |      |      |     |    |    |    |    |    |    |    |    |
|--------------------|------|------|------|-----|----|----|----|----|----|----|----|----|
| % OCC FOR MONTH    | 100% | 100% | 100% | 98% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| % OCC YEAR TO DATE | 100% | 100% | 100% | 99% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

**NEWBORN**

| # OF BIRTHS | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| NEWBORN 18  | 10  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 10     | 10              | -22.6%         |
| NEWBORN 17  | 13  | 21  | 9   | 15  | 10  | 12  | 10  | 9   | 10  | 13  | 14  | 19  | 155    | 13              | 6.2%           |
| NEWBORN 16  | 12  | 14  | 13  | 15  | 10  | 5   | 14  | 11  | 10  | 15  | 14  | 13  | 146    | 12              | 6.6%           |

**EMERGENCY**

| VISITS - ER & OP | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| VISITS 18        | 616 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 616    | 616.0           | 19.1%          |
| VISITS 17        | 712 | 595 | 491 | 502 | 496 | 490 | 535 | 449 | 477 | 457 | 568 | 557 | 6,206  | 517.2           | -6.4%          |
| VISITS 16        | 661 | 639 | 550 | 479 | 472 | 482 | 552 | 436 | 616 | 619 | 547 | 577 | 6,630  | 552.5           | 4.7%           |

**HOME HEALTH**

| CLIENTS | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| FY 18   | 0   | 0   | 0   | 63  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 63     | 0.0             | 0.0%           |
| FY 17   | 44  | 45  | 41  | 49  | 52  | 55  | 57  | 57  | 57  | 51  | 53  | 51  | 612    | 51.0            | 24.1%          |
| FY 16   | 41  | 38  | 39  | 45  | 39  | 39  | 42  | 40  | 39  | 38  | 44  | 49  | 493    | 41.1            | 22.6%          |

**SURGERY**

| PROCEDURES  | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | Totals | Monthly Average | Percent Change |
|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-----------------|----------------|
| I/P 18      | 18  | 15  | 15  | 15  | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 63     | 15.8            | -19.6%         |
| I/P 17      | 18  | 17  | 15  | 22  | 23  | 24  | 27  | 23  | 19  | 13  | 16  | 18  | 235    | 19.6            | -7.1%          |
| I/P 16      | 16  | 14  | 9   | 23  | 19  | 16  | 22  | 27  | 30  | 29  | 24  | 24  | 253    | 21.1            | 36.0%          |
| O/P 18      | 94  | 89  | 90  | 117 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 390    | 97.5            | -9.0%          |
| O/P 17      | 100 | 113 | 105 | 130 | 98  | 100 | 99  | 96  | 118 | 94  | 127 | 106 | 1,286  | 107.2           | 3.7%           |
| O/P 16      | 104 | 97  | 93  | 110 | 85  | 140 | 89  | 88  | 110 | 126 | 97  | 101 | 1,240  | 103.3           | -10.1%         |
| TOTAL FY 18 | 112 | 104 | 105 | 132 | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 453    | 113.3           | -10.7%         |
| TOTAL FY 17 | 118 | 130 | 120 | 152 | 121 | 124 | 126 | 119 | 137 | 107 | 143 | 124 | 1,521  | 126.8           | 1.9%           |
| TOTAL FY 16 | 120 | 111 | 102 | 133 | 104 | 156 | 111 | 115 | 140 | 155 | 121 | 125 | 1,493  | 124.4           | 3.5%           |

**OTHER OUT PATIENT** \* Observation, Lab, Radiology, Rehabilitation

| VISITS *  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | Totals | Monthly Average | Percent Change |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|--------|-----------------|----------------|
| VISITS 18 | 3239 | 3379 | 3954 | 4172 | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 14,744 | 3,686.0         | 64.0%          |
| VISITS 17 | 1964 | 2171 | 2778 | 1997 | 2196 | 2106 | 2066 | 2086 | 2415 | 2210 | 2538 | 2438 | 26,965 | 2,247.1         | 9.0%           |
| VISITS 16 | 2096 | 1984 | 2619 | 2089 | 1786 | 2033 | 1960 | 1919 | 2147 | 1924 | 2012 | 2160 | 24,729 | 2,060.8         | 9.2%           |

South Peninsula Hospital  
 Summary Aging by Financial Class-including Athena and LTC (PCC)and HH (Kinser)

|                   | 10/31/17          | 9/30/17           | 8/31/17           | 7/31/17           | 6/30/17           | 5/31/17           | 4/30/17           |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Long Term Care    | 968,562           | 948,128           | 1,482,088         | 1,487,196         | 1,671,522         | 1,611,839         | 1,476,141         |
| Medicare          | 6,557,924         | 6,255,332         | 6,002,287         | 4,724,828         | 5,968,222         | 5,131,460         | 4,842,117         |
| Medicaid          | 2,800,729         | 1,954,274         | 2,553,184         | 2,324,681         | 2,459,804         | 3,142,926         | 3,357,633         |
| Private Insurance | 6,123,148         | 6,606,331         | 5,553,561         | 5,527,323         | 5,713,826         | 5,928,949         | 6,171,623         |
| Self-Pay          | 3,098,416         | 2,945,987         | 2,961,313         | 3,161,685         | 3,221,792         | 3,378,886         | 3,734,052         |
| Home Health       | 310,822           | 330,730           | 326,602           | 332,706           | 326,980           | 412,995           | 453,269           |
| Month End Accrual | 56,115            | 452,880           | 670,019           | 502,200           | 698,454           | 644,318           | 537,601           |
| <b>Totals</b>     | <b>19,915,714</b> | <b>19,493,662</b> | <b>19,549,054</b> | <b>18,060,619</b> | <b>20,060,601</b> | <b>20,251,373</b> | <b>20,572,436</b> |

Aged Over 120 Days

|                   |                  |                  |                  |                  |                  |                  |                  |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Long Term Care    | 24,303           | 37,775           | 323,654          | 549,571          | 211,524          | 228,408          | 293,861          |
| Medicare          | 658,590          | 554,267          | 353,425          | 287,050          | 239,175          | 550,376          | 506,081          |
| Medicaid          | 413,752          | 418,863          | 572,487          | 477,369          | 519,256          | 591,176          | 685,314          |
| Private Insurance | 969,786          | 846,379          | 950,417          | 1,210,707        | 1,068,534        | 782,987          | 907,473          |
| Self-Pay          | 2,606,775        | 2,618,155        | 2,613,430        | 2,456,959        | 2,651,904        | 2,635,422        | 3,120,807        |
| Home Health       | 93,401           | 130,431          |                  |                  |                  |                  |                  |
| <b>Totals</b>     | <b>4,766,607</b> | <b>4,605,870</b> | <b>4,813,413</b> | <b>4,981,656</b> | <b>4,690,393</b> | <b>4,788,369</b> | <b>5,513,536</b> |

Percentage over 120 days

|                   |            |            |            |            |            |            |            |
|-------------------|------------|------------|------------|------------|------------|------------|------------|
| Long Term Care    | 3%         | 4%         | 22%        | 37%        | 13%        | 14%        | 20%        |
| Medicare          | 10%        | 9%         | 6%         | 6%         | 4%         | 11%        | 10%        |
| Medicaid          | 15%        | 21%        | 22%        | 21%        | 21%        | 19%        | 20%        |
| Private Insurance | 16%        | 13%        | 17%        | 22%        | 19%        | 13%        | 15%        |
| Self-Pay          | 84%        | 89%        | 88%        | 78%        | 82%        | 78%        | 84%        |
| <b>Totals</b>     | <b>24%</b> | <b>24%</b> | <b>25%</b> | <b>28%</b> | <b>23%</b> | <b>24%</b> | <b>27%</b> |

11/14/2017 6:33 PM

Aging

N:\Admin\CFO - Shared\Financials\Oc

**EXHIBIT C**

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement is made between South Peninsula Hospital, Inc. (“SPHI”) and the Kenai Peninsula Borough (“Borough”), to set forth the terms and conditions for the transfer of funds between SPHI’s Plant, Replacement and Expansion Fund and the Borough’s central investment pool, as follows:

1. When SPHI determines that a deposit or withdrawal should be made to or from the PREF, SPHI shall notify the Borough Finance Director or designee of the amount, date, method and other necessary information to effectuate the deposit or withdrawal. Except under emergency circumstances, SPHI shall give advance notice of at least one day for deposits. For withdrawals from the PREF, SPHI shall make reasonable efforts to provide at least two days’ notice before the next assembly meeting packet deadline of the requested withdrawal amount and date. Upon receipt of notice from SPHI, the Finance Director or designee shall take action to accept the deposit on the date requested by SPHI or, for withdrawals, make reasonable efforts to submit an ordinance to the assembly for introduction at the next regular assembly meeting, appropriating the designated PREF funds.
2. The Borough shall separately account to SPHI for PREF deposits, withdrawals and investment earnings each calendar quarter. PREF funds on deposit in the Borough central investment pool, and earnings thereon, shall be managed according to Borough ordinances and resolutions governing investment of funds, and allocation of earnings on investments, in the central investment pool. All earnings allocated to the SPHI PREF funds on deposit in the central investment pool are deemed to be reinvested to the PREF and their use also is restricted to investment for the PREF.
3. It is the parties’ intent that all promises, covenants, agreements, terms and conditions of the Operating Agreement between SPHI and the Borough shall remain in full force and effect and this Memorandum of Agreement is not intended to vary the terms of the Operating Agreement.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL,  
INC.

\_\_\_\_\_  
Charlie Pierce  
Borough Mayor  
Dated: \_\_\_\_\_

\_\_\_\_\_  
David Groesbeck  
SPHI Board President  
Dated: \_\_\_\_\_

Approved by KPB Ord. 2019-\_\_\_\_  
Dated: \_\_\_\_\_

Approved by Board Res. \_\_\_\_\_  
Dated: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

\_\_\_\_\_  
Borough Clerk

\_\_\_\_\_  
Borough Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA                    )  
  )  
THIRD JUDICIAL DISTRICT        )        ss.

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by Charlie Pierce, Mayor of Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  )  
THIRD JUDICIAL DISTRICT        )        ss.

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2019, by David Groesbeck, President, Central Peninsula General Hospital, Inc., an Alaska nonprofit corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_

**CONSENT TO SUBLEASE**

The City of Homer, Alaska, as Lessor under that certain Lease of Homer Hospital entered into on the 10<sup>th</sup> day of November, 1969, and amended March 17, 1999, October 31, 2005, and June 22, 2006, between the City of Homer and the Kenai Peninsula Borough (the "Lease"), hereby consents to the Operating Agreement for South Peninsula Hospital set forth above and entered into on \_\_\_\_\_, 2019, between the Kenai Peninsula Borough and South Peninsula Hospital, Inc., upon the express conditions that (a) this Consent shall not be deemed a waiver or relinquishment of the covenant against assignment or subletting set forth in Section 14 of the Lease; and (b) the City of Homer does not hereby consent to any further assignment or subletting of the premises; and (c) this Consent shall not release the Kenai Peninsula Borough from the full performance of the provisions of the Lease, as now existing or as may hereafter be amended.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF HOMER ALASKA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City of Homer – City Clerk



# Kenai Peninsula Borough Assembly

## MEMORANDUM

**TO:** Kenai Peninsula Borough Assembly Members  
**FROM:** Kelly Cooper, Assembly President  
**THRU:** Johni Blankenship, Borough Clerk (AB)  
**DATE:** November 5, 2019  
**RE:** 2020 Meeting Schedule

KPB 22.40.010 (A) states in part, "Regular meetings of the assembly shall be held on the first and third Tuesday of each month at 6:00 p.m. in the assembly room of the Borough Administration Building. The assembly shall by resolution or motion, establish the date and place for assembly meetings by approving a calendar for the upcoming year. The assembly shall, at a minimum, schedule at least two meetings per month for six (6) months of each year".

The meeting schedule for 2020 is proposed as follows:

| MONTH     | 1ST MEETING | 2ND MEETING | IMPORTANT DATES  |
|-----------|-------------|-------------|--|
| January   | 7           | 21          | 2 <sup>nd</sup> & 4 <sup>th</sup> Tuesday Due to Holiday   |
| February  | 4           | 25          | AML Legislative Conference 18 <sup>th</sup> – 20 <sup>th</sup> in Juneau   |
| March     | 17          |             | KPBSD Spring Break March 9 <sup>th</sup> – 13 <sup>th</sup><br>Only one meeting scheduled  |
| April     | 7           | 21          | 21 <sup>st</sup> in Seward   |
| May       | 5           | 19          |  |
| June      | 2           | 16          |  |
| July      | 7           |             | Only one meeting scheduled   |
| August    | 4           |             | 18 <sup>th</sup> Primary Election  |
| September | 1           | 15          | 15 <sup>th</sup> in Homer  |
| October   | 13          |             | 2 <sup>nd</sup> Tuesday Due to Election<br>October 6, 2020 - Regular Municipal Election<br>October 27, 2020 (if required)- Mayoral Runoff Election       |
| November  | *4          | 10          | November 3 <sup>rd</sup> General Election<br>Only one regular meeting scheduled<br>*(Special Meeting to Certify Result of Mayoral Runoff – if conducted) |
| December  | 1           |             | Only one meeting scheduled   |





Kenai Peninsula Borough  
Office of the Borough Mayor

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**MEMORANDUM**

**TO:** Kelly Cooper, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**FROM:** Charlie Pierce, Kenai Peninsula Borough Mayor *CPB*

**DATE:** November 5, 2019

**RE:** Appointments to the KPB Advisory Planning Commissions

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In accordance with KPB 21.02, appointments to Kenai Peninsula Borough Advisory Planning Commissions are recommended by the Borough Mayor, subject to confirmation by the Borough Assembly. The applicants are registered voters and reside within the areas to be represented. I hereby submit to the Assembly my recommendation for confirmation of the following appointments to the KPB Advisory Planning Commission:

**Kalifornsky Beach APC**

**Board Seat**

**Term Expires**

|                   |   |                    |
|-------------------|---|--------------------|
| Geoffrey E. Knuth | C | September 30, 2020 |
| Gary "Rusty" Swan | D | September 30, 2021 |
| Aaron Dolifka     | E | September 30, 2021 |
| Richard R. Homan  | F | September 30, 2022 |
| Robin Davis       | G | September 30, 2022 |

**Anchor Point APC**

|               |   |                    |
|---------------|---|--------------------|
| Donna White   | D | September 30, 2022 |
| Raymond Drake | E | September 30, 2022 |
| Chris Platter | F | September 30, 2021 |

**Cooper Landing APC**

|                 |   |                    |
|-----------------|---|--------------------|
| Janette Cadieux | A | September 30, 2022 |
| Chris Degernes  | B | September 30, 2022 |
| Laura Johnson   | G | September 30, 2022 |

**Hope/Sunrise APC**

|                 |   |                    |
|-----------------|---|--------------------|
| Peter Smith Jr. | D | September 30, 2022 |
|-----------------|---|--------------------|

**Moose Pass APC**

|               |   |                    |
|---------------|---|--------------------|
| John C Smart  | B | September 30, 2020 |
| Jeff Hetrick  | G | September 30, 2022 |
| Kristin Bates | F | September 30, 2022 |

**Funny River APC**

|                  |   |                    |
|------------------|---|--------------------|
| Richard Galloway | F | September 30, 2022 |
| Michael Masters  | G | September 30, 2022 |

Kenai Peninsula Borough  
Office of the Borough Clerk

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**MEMORANDUM**

**TO:** Charlie Pierce, Borough Mayor  
**THRU:** Johni Blankenship, Borough Clerk (JB)  
**FROM:** Tatyana Shassetz, Clerk Secretary (TS)  
**DATE:** October 24, 2019  
**RE:** Verification of Advisory Planning Commission Applicants

---

Pursuant to KPB 21.02.060(A)(1)(2), the applicants listed below have been verified as registered voters of the Borough and the residence address provided is within the area to be represented.

**Anchor Point APC**

| <b><u>Anchor Point APC</u></b> | <b><u>Board Seat</u></b> | <b><u>Term to Expire</u></b> |
|--------------------------------|--------------------------|------------------------------|
| Donna White                    | Seat D                   | September 30, 2022           |
| Raymond Drake                  | Seat E                   | September 30, 2022           |
| Chris Platter                  | Seat F                   | September 30, 2021           |

**Cooper Landing APC**

|                 |        |                    |
|-----------------|--------|--------------------|
| Janette Cadieux | Seat A | September 30, 2022 |
| Chris Degernes  | Seat B | September 30, 2022 |
| Laura Johnson   | Seat G | September 30, 2022 |

**Funny River APC**

|                  |        |                    |
|------------------|--------|--------------------|
| Richard Galloway | Seat F | September 30, 2022 |
| Michael Masters  | Seat G | September 30, 2022 |

**Hope/Sunrise APC**

|                 |        |                    |
|-----------------|--------|--------------------|
| Peter Smith Jr. | Seat D | September 30, 2022 |
|-----------------|--------|--------------------|

**Kalifornsky APC**

|                   |        |                    |
|-------------------|--------|--------------------|
| Geoffrey E. Knuth | Seat C | September 30, 2020 |
| Gary "Rusty" Swan | Seat D | September 30, 2021 |
| Aaron Dolifka     | Seat E | September 30, 2021 |
| Richard R. Homan  | Seat F | September 30, 2022 |
| Robin Davis       | Seat G | September 30, 2022 |

**Moose Pass APC**

|               |        |                    |
|---------------|--------|--------------------|
| John C. Smart | Seat B | September 30, 2020 |
| Kristen Bates | Seat F | September 30, 2022 |
| Jeff Hetrick  | Seat G | September 30, 2022 |



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### 10. Kalifornsky Beach PC Application Submitted 2019-10-10 14:42:16

**Name:** GEOFFREY E KNUTH

**Mailing Address:**  
2241 Beaver Loop Rd  
KENAI, AK 99669

My Residence Address is DIFFERENT from my Mailing Address

**Residence Address**  
49157 WENDY LANE  
SOLDOTNA, AK 99669

**Email:** geoffknuth@yahoo.com

**Work Phone:** 9076904363

**Home Phone:**

**Mobile Phone:** 9076904363

**Occupation or place of employment:** CENTURY 21 REALTOR

**Which Planning Commission District do you wish to serve on?:** 10. Kalifornsky Beach

**How long have you lived in the Kenai Peninsula Borough?:** 6

**What knowledge, experience, or expertise will you bring to the Commission?**  
FORMER CONTRACTOR, CURRENT DEVELOPER, REALTOR, FORMER LAW ENFORCEMENT. I FEEL I HAVE A GENERAL KNOWLEDGE OF MANY AREAS THAT WOULD NEED ADDRESSED BY THE PLANNING COMMISSION.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**  
BOARD OF EQUALIZATION

**Are you available for**  
Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**  
I enjoy all that alaska has to offer and want to help with its current/future planning



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Kalifornsky APC Application Submitted 2019-10-17 18:56:32**

**Name:** Gary "rusty" Swan

**Mailing Address:**  
35680 Baronof St  
Kenai, AK 99611

**Residence Address**

**Email:** Beachbauble52@gmail.com

**Work Phone:** 907-283-5686

**Home Phone:**

**Mobile Phone:** 907-252-7845

**Occupation or place of employment:** retired

**Which Advisory Planning Commission do you wish to serve on?:** Kalifornsky

**How long have you lived in the area served by this Advisory Planning Commission?:** 19 years

**What knowledge, experience, or expertise will you bring to this board?**

Retired from 25 yrs with the Kenaitze Indian Tribe as their Housing and Facilities Director and served as a Tribal Court Judge for 10 years.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

Currently sit on the board of the Kenai Peninsula Economic Development District

**Are you available for**

Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

My wife and I operate the RustyRavin Plant Ranch at mile 12.5 on K-Beach. We are interested in keeping up with relevant plans and events on K-Beach and our neighborhood.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Kalifornsky APC Application Submitted 2019-10-08 23:12:41**

**Name:** Aaron Dolifka

**Mailing Address:**

48570 Murwood ave  
Soldotna , AK 99669

**Residence Address**

**Email:** aarondolifka@gmail.com

**Work Phone:** 9073984759

**Home Phone:**

**Mobile Phone:** 9073984759

**Occupation or place of employment:** Crane Superintendent

**Which Advisory Planning Commission do you wish to serve on?:** Kalifornsky

**How long have you lived in the area served by this Advisory Planning Commission?:** 10 years

**What knowledge, experience, or expertise will you bring to this board?**

I grew up on K Beach and now live here again after being away for a few years. I love this area and hope to raise my family here. I am and want to be more invested in what happens to this area. My job involves managing people and large jobs and that requires being able to come up with effective solutions very quickly. I work well with people and am good negotiator/problem solver. I have worked in the construction industry both oil and residential so I have ideas about land use and I understand the importance for maximizing the potential of properties but also believe in being a good neighbor. I would like to be a part of this committee so we can come up with innovative ideas to promote land development for residential, gravel pits, and commercial uses while trying to make it work for all parties involved. I want to be more involved in local government and have a voice and I think this would be a great way to get more involved.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Kalifornsky APC Application Submitted 2019-10-07 16:41:54**

**Name:** RICHARD R HOMAN

**Mailing Address:**  
51310 Equestrian Ave  
KENAI, AK 99611

**Residence Address**

**Email:** mooselvr2@msn.com

**Work Phone:** 9073940799

**Home Phone:** 9072831967

**Mobile Phone:**

**Occupation or place of employment:** Self Employed

**Which Advisory Planning Commission do you wish to serve on?:** Kalifornsky

**How long have you lived in the area served by this Advisory Planning Commission?:** 13 years

**What knowledge, experience, or expertise will you bring to this board?**

Local business owner, former President of local archery club, current Vice Commander for Kenai American Legion Post 20, reviewed and implemented work orders on multi million dollar projects for the U.S. Coast Guard, work well with people and can communicate my intentions and ideas clearly. Communication skills.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

No

**Are you available for**  
Night meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

Hiking, walking, hunting, working with dogs and horses, support Veteran projects, seeing the Kenai Peninsula, specifically Kalifornsky Beach Road, develop to its potential with wise input from the



residents of the area.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Kalifornsky APC Application Submitted 2019-10-07 12:40:22**

**Name:** Robin Davis

**Mailing Address:**

36485 Pingo St  
Soldotna, Alaska 99669

**Residence Address**

**Email:** rdavis7684@aol.com

**Work Phone:** 9073989892

**Home Phone:**

**Mobile Phone:** 9073989892

**Occupation or place of employment:** Retired

**Which Advisory Planning Commission do you wish to serve on?:** Kalifornsky

**How long have you lived in the area served by this Advisory Planning Commission?:** 12 years

**What knowledge, experience, or expertise will you bring to this board?**

35 years experience in municipal/infrastructure management.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

Material Site Work Group

**Are you available for**

Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

Served 28 years USAF management infrastructure from day-to-day maintenance to long team sustainment, replacement, and expansion in accordance with base comprehensive plans.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

No

**Are you available for**

Night meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

Please consider me for this position, I truly care about this area and plan on living here for a long time so I hope to be able to make a positive deference for our area.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Anchor Point APC Application Submitted 2019-08-07 20:57:31**

**Name:** Donna White

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** dewwhite55@gmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Anchor Point

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Anchor Point APC Application Submitted 2019-07-29 08:08:08**

**Name:** Raymond Drake

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** thedrakes@horizonsatellite.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Anchor Point

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

APC

### 8. Anchor Point/Ninilchik PC Application Submitted 2019-09-09 13:53:40

**Name:** Chris Platter

**Mailing Address:**

Po box 116

Anchor Point, AK 99556

My Residence Address is DIFFERENT from my Mailing Address

**Residence Address**

26110 pepper rd

Anchor Point, AK 99556

**Email:** cplatter38@gmail.com

**Work Phone:** +19072996947

**Home Phone:** +19072996947

**Mobile Phone:** +19072996947

**Occupation or place of employment:** Retired / self employed

**Which Planning Commission District do you wish to serve on?:** 8. Anchor Point/Ninilchik

**How long have you lived in the Kenai Peninsula Borough?:** 8years

**What knowledge, experience, or expertise will you bring to the Commission?**

I am, and have been for many years, involved in agriculture. I have been living off grid for the last 7 years in Happy Valley and understand the challenges associated with that lifestyle. Previously, I was a meat manager with Three Bears Kenai and prior to that McNeil Canyon Meats. During that time I managed growing and profitable shops, oversaw the human resources, and dealt with federal and state regulators.

Currently, I am disabled, having taken a rather nasty fall from my roof resulting in a smashed right leg that has had 13 operations, so far, to correct... I mention this because it has also illustrated to me the importance of considering our disabled community members in planning and building practices, which, I'm sad to report, the KPB has so far not really taken into account. I would like to be thier voice on the Commision.

Thank you for your consideration.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

Not yet.

**Are you available for**

Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

I am an outdoor enthusiast, agriculturist, father and homeschoolers. To me, that sets me to be involved in all aspects of our community! It also grants me the insight necessary to balance the needs of business, wildlife, the environment and most importantly the families of the KPB.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### Cooper Landing APC Application Submitted 2019-07-17 19:35:25

**Name:** Janette Cadieux

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** jette.cadieux@gmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Cooper Landing

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**





## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### Cooper Landing APC Application Submitted 2019-07-17 22:16:23

**Name:** Chris Degernes

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** jaeger06@hotmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Cooper Landing

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### Cooper Landing APC Application Submitted 2019-07-18 11:04:57

**Name:** Laura Johnson

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

**Residence Address**

**Email:** Ljohnsonak@gmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Cooper Landing

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### Hope/Sunrise APC Application Submitted 2019-08-25 20:21:32

**Name:** Peter Smith Jr

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** aksixmile@gmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Hope/Sunrise

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Moose Pass APC Application Submitted 2019-08-26 10:43:23**

**Name:** John C Smart

**Mailing Address:**

PO Box-243

Moose Pass, Alaska 99631

My Residence Address is DIFFERENT from my Mailing Address

**Residence Address**

29998 Toklat Way

Moose Pass, Alaska 99631

**Email:** smarts@gci.net

**Work Phone:**

**Home Phone:** 907-288-2423

**Mobile Phone:** 907-297-8480

**Occupation or place of employment:** Retired BP Oilfield Manager

**Which Advisory Planning Commission do you wish to serve on?:** Moose Pass

**How long have you lived in the area served by this Advisory Planning Commission?:** July 2012

**What knowledge, experience, or expertise will you bring to this board?**

Local area knowledge, lifelong Alaskan, all immediate family lives in the KPB. In my former life I planned numerous engineered operations across multiple work fronts and people all while understanding the risk.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

No

**Are you available for**

Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

I think my skills could be a good fit on the APC due to my years in the community and my willingness



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Moose Pass APC Application Submitted 2019-08-22 17:46:55**

**Name:** Jeff Hetrick

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** jjh@seward.net

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Moose Pass

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Moose Pass APC Application Submitted 2018-11-09 14:14:41**

**Name:** Kristin Bates

**Mailing Address:**

PO Box 182

Moose Pass , AK 99631

My Residence Address is DIFFERENT from my Mailing Address

**Residence Address**

38164 Seward Highway House #2

Moose Pass , AK 99631

**Email:** fishinhappy@gmail.com

**Work Phone:** 907-288-3688

**Home Phone:** 907-288-6220

**Mobile Phone:** 907-382-1677

**Occupation or place of employment:** Hatchery Manager - Trail Lakes Hatchery

**Which Advisory Planning Commission do you wish to serve on?:** Moose Pass

**How long have you lived in the area served by this Advisory Planning Commission?:** 4 years

**What knowledge, experience, or expertise will you bring to this board?**

I have lived in the Seward area since 1996 and on the Kenai Peninsula my whole life. I'm young and recently acquired an MBA that I hope I can use to benefit the local community. I own 5 acres of land in Moose Pass, I work and manage the Trail Lakes Fish Hatchery, and I have a Bachelors of Science in both Fisheries and Wildlife that would bring diversity to the Advisory Planning Commissions Board. I have lived full time in Moose Pass for the last 4 years.

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

No.

**Are you available for**

Night meetings Day meetings

**Comments (areas of interest, additional experience or qualifications, etc.):**

I enjoy everything about living in Moose Pass. I have valuable business management experience. I would like to work with others from Moose Pass to keep the area progressing into the future in the correct way. I plan to be in Moose Pass for a long time and I would like to sit on a Kenai Peninsula board to diversify my skills. I'm a decent writer and public speaker. I'm able to see multiple sides to each issue brought forward and collaborate for the best possible outcome. I enjoy all sorts of community development, support industry growth, local jobs, and finding ways to better Alaska as a whole.



## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Funny River APC Application Submitted 2019-08-27 10:39:18**

**Name:** Richard Galloway

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** r.galloway@att.net

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Funny River

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**





## Planning Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2200 • (907) 714-2378 Fax

### **Funny River APC Application Submitted 2019-08-15 10:58:31**

**Name:** Michael Masters

I am currently a member of the Advisory Planning Commission and would like to apply for reappointment.

**Mailing Address:**

,

**Residence Address**

,

**Email:** precisionairbalance12@gmail.com

**Work Phone:**

**Home Phone:**

**Mobile Phone:**

**Occupation or place of employment:**

**Which Advisory Planning Commission do you wish to serve on?:** Funny River

**How long have you lived in the area served by this Advisory Planning Commission?:**

**What knowledge, experience, or expertise will you bring to this board?**

**Have you, or do you currently, serve on other Kenai Peninsula Borough commissions, boards or task forces?**

**Are you available for**

**Comments (areas of interest, additional experience or qualifications, etc.):**



**MAYOR'S REPORT TO THE ASSEMBLY**

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

**FROM:** Charlie Pierce, Kenai Peninsula Borough Mayor

**DATE:** November 5, 2019



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Assembly Request / Response

None

Agreements and Contracts

- a. Authorization to Award a Contract for RFP20-003 KPB Communication Strategy & Implementation Plan to Agnew Beck Consulting, Inc.

Other

- a. Revenue-Expenditure Report – September 2019
- b. Budget Revisions – September 2019
- c. FY20-1Q Senior Grant Reports
- d. FY20-Economic Development Center
- e. FY20-1Q Land Trust Investment Fund – Investment Report

Kenai Peninsula Borough  
Purchasing & Contracting

**MEMORANDUM**

**TO:** James Baisden, Chief of Staff *gcb*  
**THRU:** John D. Hedges, Purchasing & Contracting Director *JDH*  
**FROM:** Brenda Ahlberg, Community and Fiscal Projects Manager *BA*  
**DATE:** October 24, 2019  
**RE:** Authorization to Award a Contract for RFP20-003 KPB Communication Strategy & Implementation Plan

On August 20, 2019 the Kenai Peninsula Borough Mayor's Office formally solicited proposals for RFP20-003 KPB Communication Strategy & Implementation Plan. The request for proposals was advertised in the Peninsula Clarion and the Anchorage Daily News on August 20, 2019.

The project consists of developing a comprehensive communication strategy and implementation plan that brands the Borough identity in three distinct areas: (1) the public services provided by the Borough as a municipal government to the citizens, (2) the promotion of economic development that highlights diverse opportunities for young families, telecommuters and industry, and (3) that capitalizes on existing tourism and marketing efforts from third party contributors.

On the due date of September 30, 2019, two (2) proposals were received and reviewed by a review committee as follows:

| <u>FIRMS</u>                | <u>TOTAL SCORE</u> |
|-----------------------------|--------------------|
| Agnew Beck Consulting, Inc. | 442                |
| Divining Point              | 260                |

Funding of this contract will be charged to account number 100.94900.00000.43011.

*Charlie Pierce*  
\_\_\_\_\_  
Charlie Pierce, Mayor

*10-24-2019*  
\_\_\_\_\_  
Date

|                                      |                              |
|--------------------------------------|------------------------------|
| FINANCE DEPARTMENT<br>FUNDS VERIFIED |                              |
| Acct. No.                            | <u>100.94900.00000.43011</u> |
| Amount                               | <u>\$45,870.00</u>           |
| By: <i>PP</i>                        | Date: <u>10/23/19</u>        |

**MEMORANDUM**

**TO:** Kelly Cooper, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Borough Mayor *CPB*

**THRU:** Brandi Harbaugh, Finance Director *BH*

**FROM:** Sarah Hostetter, Payroll Accountant *SH*

**DATE:** October 23, 2019

**RE:** Revenue-Expenditure Report – September 2019

---

Attached is the Revenue-Expenditure Report of the General Fund for the month of September 2019. Please note that 25.00% of the year has elapsed, 36.48% of budgeted revenues have been collected, and 9.24% of budgeted expenditures have been made.

KENAI PENINSULA BOROUGH  
Revenue Report  
For the Period  
September 1 through September 30, 2019

| ACCOUNT NUMBER | DESCRIPTION                     | ESTIMATED REVENUE | YEAR TO DATE RECEIPTS | MONTH TO DATE RECEIPTS | VARIANCE        | % COLLECTED |
|----------------|---------------------------------|-------------------|-----------------------|------------------------|-----------------|-------------|
| 31100          | Real Property Tax               | \$ 30,759,296     | \$ 15,400,185         | \$ 9,269,743           | \$ (15,359,111) | 50.07%      |
| 31200          | Personal Property Tax           | 1,988,657         | 1,099,757             | 477,061                | (888,900)       | 55.30%      |
| 31300          | Oil Tax                         | 7,347,971         | 7,342,988             | -                      | (4,983)         | 99.93%      |
| 31400          | Motor Vehicle Tax               | 712,000           | -                     | -                      | (712,000)       | 0.00%       |
| 31510          | Property Tax Penalty & Interest | 499,969           | 30,951                | 10,639                 | (469,018)       | 6.19%       |
| 31610          | Sales Tax                       | 32,272,462        | 3,769,667             | 1,531,574              | (28,502,795)    | 11.68%      |
| 33110          | In Lieu Property Tax            | 3,600,000         | -                     | -                      | (3,600,000)     | 0.00%       |
| 33117          | Other Federal Revenue           | 140,000           | -                     | -                      | (140,000)       | 0.00%       |
| 34110          | School Debt Reimbursement       | 1,324,359         | 1,088,768             | 1,088,768              | (235,591)       | 82.21%      |
| 34221          | Electricity & Phone Revenue     | 155,000           | -                     | -                      | (155,000)       | 0.00%       |
| 34222          | Fish Tax Revenue Sharing        | 750,000           | -                     | -                      | (750,000)       | 0.00%       |
| 34210          | Revenue Sharing                 | 843,079           | 843,613               | 843,613                | 534             | 100.06%     |
| 37350          | Interest on Investments         | 936,944           | 368,297               | 101,612                | (568,647)       | 39.31%      |
| 38000          | Trans From Other Funds          | 175,000           | -                     | -                      | (175,000)       | 0.00%       |
| 39000          | Other Local Revenue             | 300,000           | 71,647                | 39,496                 | (228,353)       | 23.88%      |
| 290            | Solid Waste                     | 800,000           | 119,262               | 3,751                  | (680,738)       | 14.91%      |
| Total Revenues |                                 | \$ 82,604,737     | \$ 30,135,135         | \$ 13,366,257          | \$ (52,469,602) | 36.48%      |

KENAI PENINSULA BOROUGH  
Expenditure Report  
For the Period  
September 1 through September 30, 2019

| DESCRIPTION                   | REVISED<br>BUDGET | YEAR<br>TO DATE<br>EXPENDED | MONTH<br>TO DATE<br>EXPENDED | AMOUNT<br>ENCUMBERED | AVAILABLE<br>BALANCE | %<br>EXPENDED |
|-------------------------------|-------------------|-----------------------------|------------------------------|----------------------|----------------------|---------------|
| Assembly:                     |                   |                             |                              |                      |                      |               |
| Administration                | \$ 494,065        | \$ 146,364                  | \$ 46,312                    | \$ 97,877            | \$ 249,824           | 29.62%        |
| Clerk                         | 555,004           | 101,848                     | 38,767                       | 25,167               | 427,989              | 18.35%        |
| Elections                     | 113,910           | 24,870                      | 24,097                       | 45,097               | 43,943               | 21.83%        |
| Records Management            | 269,852           | 49,181                      | 16,012                       | 18,688               | 201,983              | 18.23%        |
| Mayor Administration          | 818,559           | 155,005                     | 55,353                       | 1,227                | 662,327              | 18.94%        |
| Purch/Contracting/Cap Proj    | 625,305           | 92,003                      | 32,970                       | 5,046                | 528,256              | 14.71%        |
| Human Resources:              |                   |                             |                              |                      |                      |               |
| Administration                | 676,140           | 138,103                     | 45,788                       | 11,293               | 526,744              | 20.43%        |
| Print/Mail                    | 161,071           | 23,097                      | 9,377                        | 38,117               | 99,857               | 14.34%        |
| Custodial Maintenance         | 119,209           | 21,611                      | 7,376                        | -                    | 97,598               | 18.13%        |
| Information Technology        | 2,015,513         | 408,117                     | 117,770                      | 17,445               | 1,589,951            | 20.25%        |
| Emergency Management          | 825,019           | 155,660                     | 71,838                       | 85,164               | 584,196              | 18.87%        |
| Legal Administration          | 994,040           | 167,900                     | 78,260                       | 84,445               | 741,695              | 16.89%        |
| Finance:                      |                   |                             |                              |                      |                      |               |
| Administration                | 500,734           | 101,572                     | 34,302                       | 2,480                | 396,682              | 20.28%        |
| Services                      | 1,013,361         | 215,104                     | 60,322                       | 1,428                | 796,829              | 21.23%        |
| Property Tax                  | 1,141,518         | 289,521                     | 53,694                       | 61,471               | 790,525              | 25.36%        |
| Sales Tax                     | 700,683           | 161,417                     | 36,802                       | 21,075               | 518,191              | 23.04%        |
| Assessing:                    |                   |                             |                              |                      |                      |               |
| Administration                | 1,426,441         | 332,369                     | 77,217                       | 43,223               | 1,050,849            | 23.30%        |
| Appraisal                     | 1,973,606         | 352,423                     | 128,597                      | 23,787               | 1,597,396            | 17.86%        |
| Resource Planning:            |                   |                             |                              |                      |                      |               |
| Administration                | 1,264,985         | 222,461                     | 81,724                       | 39,810               | 1,002,714            | 17.59%        |
| GIS                           | 596,596           | 152,906                     | 33,355                       | 3,493                | 440,196              | 25.63%        |
| River Center                  | 802,751           | 96,258                      | 27,648                       | 7,812                | 698,681              | 11.99%        |
| Senior Citizens Grant Program | 608,969           | -                           | -                            | 608,969              | -                    | 0.00%         |
| School District Operations    | 58,965,977        | 3,552,189                   | -                            | -                    | 55,413,788           | 6.02%         |
| Solid Waste Operations        | 8,708,901         | 1,017,791                   | 334,483                      | 2,256,367            | 5,434,743            | 11.69%        |
| Economic Development          | 275,000           | -                           | -                            | 100,000              | 175,000              | 0.00%         |
| Non-Departmental              | 1,676,065         | 90,875                      | 5,881                        | -                    | 1,585,190            | 5.42%         |
| <hr/>                         |                   |                             |                              |                      |                      |               |
| Total Expenditures            | \$ 87,323,275     | \$ 8,068,644                | \$ 1,417,945                 | \$ 3,599,483         | \$ 75,655,148        | 9.24%         |

**MEMORANDUM**

**TO:** Kelly Cooper, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Borough Mayor *gcb*

**THRU:** Brandi Harbaugh, Finance Director *Box*

**FROM:** Sarah Hostetter, Payroll Accountant *SH*

**DATE:** October 23, 2019

**RE:** Budget Revisions – September 2019

---

Attached is a budget revision listing for September 2019. The attached list contains budget revisions between major expenditure categories (i.e., maintenance & operations and capital outlay). Other minor transfers were processed between object codes within major expenditure categories.



**FINANCE**

Price for two computer replacements came in higher than budgeted.

|  |          |          |
|--|----------|----------|
| 100-11440-00000-40110 (Regular Wages)          |          | \$175.00 |
| 100-11440-00000-48710 (Minor Office Equipment) | \$175.00 |          |

**FINANCE**

To purchase computers for the Finance Administration department.

|  |            |            |
|--|------------|------------|
| 100-11440-00000-40110 (Regular Wages)          |            | \$2,530.00 |
| 100-11410-00000-48710 (Minor Office Equipment) | \$2,530.00 |            |

**MAINTENANCE**

To purchase a vehicle canopy for a dry and securable transportation space for a truck in Seldovia.

|   |            |            |
|---|------------|------------|
| 241-41010-00000-42310 (Repair & Maintenance Supplies) |            | \$2,600.00 |
| 241-41010-00000-48740 (Minor Machines & Equipment)    | \$2,600.00 |            |

**PLANNING**

To replace metal detector, due to existing detector's age it cannot be repaired as planned.

|  |            |            |
|--|------------|------------|
| 100-21110-00000-42210 (Operating Supplies)         |            | \$1,075.00 |
| 100-21110-00000-48740 (Minor Machines & Equipment) | \$1,075.00 |            |

**KENAI PENINSULA BOROUGH**  
Community & Fiscal Projects

---

**MEMORANDIUM**

**TO:** Charlie Pierce, Mayor  
**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager  
**DATE:** October 23, 2019  
**SUBJECT:** FY20-1Q Senior Center Grant Reports

---

The following senior grant reports have been submitted:

- Anchor Point Senior Citizens
- Cooper Landing Senior Citizens
- Forget-Me-Not Center
- Homer Friendship Center
- Homer Senior Center
- Kenai Senior Citizens
- Nikiski Senior Citizens
- Ninilchik Senior Center
- Seldovia Senior Center
- Seward Seniors Citizens
- Soldotna Area Senior Center
- Sterling Area Senior Citizens



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Anchor Point Senior Citizens, Inc.  
**Account:** 100.62110.ANCSR.43011

**Award Amount:** \$44,869  
**2019/2020 Senior Grant Program**

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:** 1<sup>st</sup> Quarter  
**Start Date:** July 1<sup>st</sup>, 2019  
**End Date:** September 30<sup>th</sup>, 2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category     | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|-------------------|---------------------|---|---------------------------------------|----------------------------|---------------------|
| Personnel         | \$ 32,500.00        | \$ 11,404.67                              | \$ -                                  | \$ 11,404.67               | \$ 21,095.33        |
| Contract Services | \$ 10,000.00        | \$ 2,697.05                               | \$ -                                  | \$ 2,697.05                | \$ 7,302.95         |
| Supplies          | \$ 2,369.00         | \$ -                                      | \$ -                                  | \$ -                       | \$ 2,369.00         |
|                   | \$ -                | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
| <b>TOTALS</b>     | <b>\$ 44,869.00</b> | <b>14,101.72</b>                          | <b>\$ -</b>                           | <b>\$ 14,101.72</b>        | <b>\$ 30,767.28</b> |

Expenditures this period to be reimbursed >>>

**\$ 14,101.72**

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

A 70' x 30' and 48' x 20' high tunnels were bought, delivered, and erected in the Senior Gardens in 2018. In 2019 the first quarter of FY20 began with hundreds of garden-starts that produced enough vegetables to supply our community meals, stock the freezer for the winter, create vats of pickled goods, and hand out fresh vegetables to seniors!

The Anchor Point Senior Center has Bingo with concessions every Friday night. We host a community dinner every Thursday night and a once a month all-you-can eat breakfast. No charge lunches are provided on a needed basis on weekdays. We had a APSCI Fish Fry and Market on Aug 11. Haircuts in the center were available, for a donation on assigned Fridays. Monday and Wednesday mornings are exercise class and vary on being inside or outside dependent on the weather. APSCI offers public assistance avenues and legal guidelines. Our facility is a USDA agent for Seniors Farmer Market Nutrition Program. For entertainment there are games and puzzles, Wii, cards, daily newspapers, and a pool table on premise for anyone to come in during operating hours to enjoy. A Mah Jongg group meets every Tuesday. One or two times a month the End of the Road Quilting Group get together and open their club to the public. APSCI also provide the needy of our community with a charitable giving center, Helping Hands, open two days a week for clothes and household goods.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Mary E Perry Date: 10-4-19

Printed Name and Title: Mary E Perry, Board Treasurer



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Cooper Landing Senior Citizens.  
**Account:** 100.621115.00000.43011

**Award Amount:** \$18,665  
**2019/2020 Senior Grant Program**

**Submit Report To:**

Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:**

**Start Date:** July 1, 2019  
**End Date:** September 30, 2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category     | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|-------------------|---------------------|---|---------------------------------------|----------------------------|---------------------|
| Utilities         | \$ 2,140.00         | \$ -                                      | \$ 464.30                             | \$ 464.30                  | \$ 1,675.70         |
| Contract Services | \$ 11,000.00        | \$ -                                      | \$ 3,372.00                           | \$ 3,372.00                | \$ 7,628.00         |
| Supplies          | \$ 2,525.00         | \$ -                                      | \$ 36.99                              | \$ 36.99                   | \$ 2,488.01         |
| Insurance         | \$ 3,000.00         | \$ -                                      | \$ -                                  | \$ -                       | \$ 3,000.00         |
| <b>TOTALS</b>     | <b>\$ 18,665.00</b> | <b>-</b>                                  | <b>\$ 3,873.29</b>                    | <b>\$ 3,873.29</b>         | <b>\$ 14,791.71</b> |

|   |             |
|---|-------------|
| Expenditures this period to be reimbursed >>> | \$ 3,873.29 |
|---|-------------|

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

CLSCCI had a very eventful Summer! At our General Business meeting in August, Mario Carboni provided music for our entertainment and it was great fun for all! Mario is a favorite summer artist amongst the seniors, so it is a real treat to have him donate his time and talent with us.

Along with the other Cooper Landing residents, the seniors at Snug Harbor Senior Haven appreciated the daily updates on the Swan Lake Fire and loved the attention paid to the residents from the firefighters. Some residents chose to evacuate while others were ready with their bags and medicine packed in case the KPB alert call came in to "GO". Many Cooper Landing Seniors enjoyed the appreciation BBQ held for the firefighters in Soldotna. We were pleased that our attendance was shared with many in the October issue of the Senior Voice publication.

CLSCCI held its 2019 Appreciation Luncheon that was well attended by volunteers and local dignitaries. We are so appreciative and proud of the volunteers and support CLSCCI receives. Both Camp K and Alaska Wildlands Adventures donate left over food items to the seniors at the end of their season and we appreciate all they give to us.

As the Summer ended, we started winterizing our units at Snug harbor Senior Haven and getting our bus tires swapped over so we will be ready for the Winter months.

CLSCCI is happy to report we completed a large paving project for Ravens View.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Shirley A. Wilmoth Date: 10-10-19  
 Printed Name and Title: SHIRLEY WILMOTH, TREASURER



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Frontier Community Services  
**Account:** 100.62195.FTNCO.43011

**Award Amount:** \$33,045  
**2019/2020 Senior Grant Program**

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:**

**Start Date:** 07/01/19

**End Date:** 09/30/19

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category         | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|-----------------------|---------------------|---|---------------------------------------|----------------------------|---------------------|
| Transportation        | \$ 1,500.00         | \$ -                                      | \$ 874.00                             | \$ 874.00                  | \$ 626.00           |
| Senior Events         | \$ 3,000.00         | \$ -                                      | \$ -                                  | \$ -                       | \$ 3,000.00         |
| Program Supplies      | \$ 6,545.00         | \$ -                                      | \$ -                                  | \$ -                       | \$ 6,545.00         |
| FMN Program Assistant | \$ 22,000.00        | \$ -                                      | \$ 8,656.00                           | \$ 8,656.00                | \$ 13,344.00        |
| <b>TOTALS</b>         | <b>\$ 33,045.00</b> | <b>-</b>                                  | <b>\$ 9,530.00</b>                    | <b>\$ 9,530.00</b>         | <b>\$ 23,515.00</b> |

Expenditures this period to be reimbursed >>>

**\$ 9,530.00**

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

## Forget-Me-Not (FMN) Adult Day Center First Quarter Narrative, FY20

During the first quarter of FY19 Forget-Me-Not (FMN) Adult Day Center focused on providing an energetic and engaging program for the Kenai Peninsula's seniors. The Kenai Peninsula Borough grant funded activities through the use of themed weeks, outings, events, and funding for program supplies. Highlights include:

- Themed weeks during each month such as "Hawaii Week," "Patriot Week," "Dog Days of Summer," "Viva La Mexico," and "Fall into Autumn". Examples of activities that correspond with the themed weeks included Beach Ball Bowling, Patriotic Carnival Toss, Outdoor Table Games, Sombrero Ring Toss, and Autumn Cubism.

FMN Council Meetings were held twice each month during the first quarter. Through those meetings, participants were able to offer suggestions for activities, snacks, events, and outings. The FMN Council meetings have been a continuing source of information. The participants have been able to shape the activities they take part in, as well as provide feedback on activities they would like to see more of. Following is a list of special events the Council planned during the first quarter:

- 4<sup>th</sup> of July barbeque held on July 5<sup>th</sup>.
- Summer Picnic Outing to the Green Strip in Kenai.
- "Backyard Pizza Party."

- "End of Summer" barbeque was held on September 4<sup>th</sup>. The council voted to invite their friends and families to attend.

Each month FMN's dedicated volunteers came and shared their passions with us. Pat Robinson visited each Tuesday afternoon with her Canine Companions, Hope and Joy. Twice a month Steve Hillyer came to guide participants in Spiritual Wellness, and every other Friday the Apostolic Assembly of Jesus Christ (AAJC) came to sing with the participants. Shelly Merrill visited once each month and provided manicures and hand massages for our participants. In addition to our regular volunteers, the Kenai Senior Center "Ring-a-Lings" (bell ringers) visited FMN in July, August and September. This joint venture allows FMN participants to ring bells with peers outside of the FMN program. Everyone got some upper body exercise as well as cognitive stimulation by remembering which bell to ring at which time!

Music plays an important role in FMN activities. Whether it's the Kenai Senior Center "Ring-a-Lings," the AAJC singers, piano music, or individualized playlists on the iPod, music is often found at the center of all activities. Active games are played with music in the background and FMN participants are asked what music they would like to listen to each day. There are several activities that are based around music such as Musical Hangman, Musical Concentration, and Name That Tune.

Also of note:

- Of the 17 individuals enrolled during the 1st quarter of FY20, 10 were able to receive 917.25 hours at FMN due to the provision of transportation services. That is an increase of two individuals and 524.75 hours of service from the 4<sup>th</sup> quarter of FY19.

**Grantee Certification:** *I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.*

Signature: Larae Paxton Date: 10/15/19

Printed Name and Title: Larae Paxton, Operations Director



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

From: Homer Friendship Center  
 Account: 100.62125.HOMSR.43011

Award Amount: \$17,754  
 2019/2020 Senior Grant Program

Submit Report To:  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

Period of Performance for this Report: 1  
 Start Date: 07/01/2019  
 End Date: 09/30/2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds |
|---------------|---------------------|---|---------------------------------------|----------------------------|------------------|
| Labor         | \$ 17,754.00        | \$ -                                      | \$ 17,754.00                          | \$ 17,754.00               | \$ -             |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -             |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -             |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -             |
| <b>TOTALS</b> | <b>\$ 17,754.00</b> | <b>-</b>                                  | <b>\$ 17,754.00</b>                   | <b>\$ 17,754.00</b>        | <b>\$ -</b>      |

Expenditures this period to be reimbursed >>>

**\$ 17,754.00**

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

Provided wages for Adult Day Service employees. Adult Day Services works with individuals during the day to provide activities, meals, care, and arts/crafts.

During this quarter, we decorated our annual 4<sup>th</sup> of July float and Won "Best Theme" for the 2<sup>nd</sup> year in a row. Our theme was the "Betsy Ross Flag". We had volunteers, seniors and staff members dress up as various American historic characters and dance around the float, which featured Betty Ross herself sewing the flag. Candy was passed out to observers, and a fun time was had by all.

We provided services to 22 clients. With our newly redesigned kitchen, we are able to offer improved quality time in baking activities, in which the clients enjoy fresh baked cookies, cakes, and other fun snacks.

We had a change in leadership. Robbie Fuller is in the process of renewing her CNA license to meet the State qualifications for this position.

This is the final report for this grant. We respectfully thank you for supporting this very valuable program.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Karen Kelley Date: 10/16/19

Printed Name and Title: Karen Kelley, Executive Director



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Homer Senior Citizens, Inc.  
**Account:** 100.62120.HOMSR.43011

**Award Amount:** \$132,668  
**2019/2020 Senior Grant Program**

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report: 1**  
**Start Date:** 07/01/2019  
**End Date:** 09/30/2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category | Authorized budget    | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|---------------|----------------------|---|---------------------------------------|----------------------------|---------------------|
| Labor         | \$ 48,800.00         | \$ -                                      | \$ 12,129.86                          | \$ 12,129.86               | \$ 36,670.14        |
| Supplies      | \$ 83,868.00         | \$ -                                      | \$ 20,545.68                          | \$ 20,545.68               | \$ 63,322.32        |
|               |                      | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
|               |                      | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
| <b>TOTALS</b> | <b>\$ 132,668.00</b> | <b>-</b>                                  | <b>\$ 32,675.54</b>                   | <b>\$ 32,675.54</b>        | <b>\$ 99,992.46</b> |

Expenditures this period to be reimbursed >>> \$ 32,675.54

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

Provided wages for Food Services Department. Meals were served to the senior population, Adult Day Services, and Meals on Wheels program. We serve quality meals that are home cooked and do not use packaged materials.

We served 2,365 meals in our Congregate Meal program and served 4,000 Home Delivered Meals, which includes the Meals on Wheels program, and those who live in our Assisted Living Facility. Together we were able to serve 6,365 meals for the quarter. Thank you for helping us make this possible.

This quarter the seniors enjoyed a trip to the Alaska Sealife Center in Seward and a day shopping trip to Soldotna. Snacks were provided on both trips and the seniors enjoyed getting out of town for awhile. They have been enjoying more summer outings and adventures.

We learned how to capture our information and referral contacts. Our new Grant Administrator is holding regular webinars with the regions to discuss improved reporting options and procedures.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Keren Kelley Date: 10/10/19

Printed Name and Title: Keren Kelley, Executive Director





**KENAI PENINSULA BOROUGH**  
 144 North Binkley Street • Soldotna, Alaska 99669-7599  
 PHONE: (907) 714-2153 • FAX: (907) 714-2377  
 EMAIL: bahlberg@kpb.us

**FROM: City of Kenai dba Kenai Senior Services**  
**KPB ACCOUNT: 100.62130.KENSR.43011**

**Award Amount: \$126,207**  
**Ending: 30 June 2020**

## Financial / Progress Report

**Submit Report To:** Brenda Ahlberg  
 Community & Fiscal Projects Manager  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Project Name: FY20 Senior Grant Program**  
**Date:** 10/3/2019  
**Report No.:** 1  
**Quarter From:** 07/1/2019  
**To:** 09/30/2019

**FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 10 JULY 2020**

| Cost Category | Authorized Budget    | Expenditures from Last Report | Expenditures This Period | Total Expenditures to Date | Balance of Funds |
|---------------|----------------------|-------------------------------|--------------------------|----------------------------|------------------|
| Personnel     | \$ 72,032            |                               | 72,032.00                | 72,032.00                  | \$ -             |
| Contractual   | \$ 22,004            |                               | 22,004.00                | 22,004.00                  | \$ -             |
| Supplies      | \$ 32,171            |                               | 32,171.00                | 32,171.00                  | \$ -             |
|               |                      |                               |                          |                            | \$ -             |
| <b>TOTALS</b> | <b>\$ 126,207.00</b> | <b>-</b>                      | <b>\$ 126,207.00</b>     | <b>\$ 126,207.00</b>       | <b>\$ -</b>      |

|                        |                      |
|------------------------|----------------------|
| <b>Payment Request</b> | <b>\$ 126,207.00</b> |
|------------------------|----------------------|

**PROGRESS REPORT:** Reference attachment D to ensure eligible cost compliance. Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

See Attached.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Paul Ostrander

Date: 10/8/19

Printed Name and Title: Paul Ostrander, City Manager

Kenai Senior Services  
Borough Quarterly Progress Report  
1<sup>st</sup> Quarter ending September 30, 2019

What a beautiful summer we've had! The weather enabled us to have more events outdoors and even prolonged our hiking and Mystery Drive events. This is also the time of year we say goodbye to our "snowbirds" as they head to warmer climates for the winter months.

During this last quarter, the Director attended four City Department Head meetings, one Council on Aging meeting; three Kenai Senior Connection, Inc., meetings; two Senior Center Staff meetings; one Area Wide Senior Center Directors' meeting; and, one local area Executive Directors' Breakfast.

The Director was also asked to join the Alaska Diabetes Coalition which is a startup group sponsored by the State of Alaska, whose mission is to achieve a healthier Alaska through diabetes education, prevention, and control.

The Administrative Assistant attended two Department Head Meetings on behalf of the Director. She also attended two Kenai Senior Connection, Inc., meetings, a website training, and the following training via webinar and/or in person:

NCOA Mental Health & Aging – Strategies for Reducing Suicide in Older Adults  
NCOA Community Health Workers – Working in a Meaningful & Impactful Manner with Older Adults  
Alaska Mental Health Trust Authority – Super Advocate Advocacy Training

All Senior Center staff received training in the Adult Protective Services Mandatory Reporting procedures.

July, August and September were bursting with activities and happenings!

- The *Alaska Polka Chips with Marge Ford* performed for the July 25<sup>th</sup> Polka Dot Dance. The evening was a great success complete with dancing, Howard's Snack Shack food (for sale) and memorable music.
- The July Mystery Drive was once again full of mystery. Our volunteer driver took 12 seniors to the Kasilof Crooked Creek Fish Hatchery to view the King Salmon counting station. They viewed the fish weir (counter) across Crooked Creek and the video recording stations as well as getting a King Salmon anatomy lesson from the biologist. They stopped for ice cream and then continued to Jim's Honey Bees where he hosts 100 hives and sells honey roadside. A Jackson's Gardens tour was next and then off to the Farmers' Market at the Food Bank to visit our local gardeners.

- A group of 18 seniors and staff took the Rainbow Connection Ferry from Homer to Seldovia for a day trip. For a few, this was the first time they had ever been to Seldovia and fortunately the weather and Kachemak Bay were welcoming.
- We once again hosted the Anchorage Bowl Chamber Orchestra on August 7th. This was the group's second performance at our Center this summer and with over 100 in attendance, they will be back again in the spring!
- August 29th was the 23rd Annual Old Timers' Luncheon, hosted this year by the Porter & Taurianien families. Turkey, stuffing and all of the extras along with stories of life on the homestead, made for an ideal time for the full house.
- The August Mystery Drive started out of ADF&G to check out the animal and fish mounts. The next stop was at a local master gardener to learn about veggies, flowers, berries, and the garden they propagate from seeds. Then on for the traditional ice-cream followed by the Snowshoe Gun Club to tour the facility and the grounds.
- Due to the Swan Lake Fire, our hikes and No-Host Dinners kept us closer to the Soldotna/Kenai area. In September, a group of ten set off for the Centennial Park Walk along the Kenai River in Soldotna. The group hiked around the Park and enjoyed a packed lunch by the river.
- The September Mystery Hike headed out to Swanson River Road with stops at the Dolly Varden and Rainbow Campgrounds. They ventured out to the Swanson River Landing where they were able to fish and even caught one big silver salmon!
- We hosted the Annual Flu Shot Clinic with Kenai Safeway Pharmacy bringing in over 50 seniors from around the area.
- On September 25th, the Senior Center hosted the Public Comment and Community Reception for the Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse.

During this last quarter, we served 4,021 home-delivered meals and 3,817 congregate meals. Our records show that 45 unduplicated volunteers donated 1,203 hours of their time. We also provided a total of 1,582 one-way rides during this time period. As a partner with Social Security Video Service Delivery, we also helped 96 individuals use this service.

One issue we are currently working on is providing a Code of Conduct and Ethics for the Senior Center. We have never had one nor needed to implement one until recently. As we pass through the Traditionalist/Silent Generation into the Baby Boomers, it is interesting to see how many different lifestyles and customs are brought into play. What was not acceptable among the Greatest Generation seems to be totally fine with some of the Baby Boomers. Having a mixture of generations can be quite the challenge at times. It will be good to have something concrete to adhere to and policies everyone can follow.



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Ninilchik Senior Citizens  
**Account:** 100.62140.NINSR.43011

**Award Amount:** \$26,491  
**2019/2020 Senior Grant Program**

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:**

**Start Date:** July 1, 2019

**End Date:** September 30, 2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds   |
|---------------|---------------------|---|---------------------------------------|----------------------------|--------------------|
| Labor         | \$ 26,491.00        | \$ -                                      | \$ 18,587.34                          | \$ 18,587.34               | \$ 7,903.66        |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -               |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -               |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -               |
| <b>TOTALS</b> | <b>\$ 26,491.00</b> | <b>-</b>                                  | <b>\$ 18,587.34</b>                   | <b>\$ 18,587.34</b>        | <b>\$ 7,903.66</b> |

Expenditures this period to be reimbursed >>>

\$ 18,587.34

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

This first quarter of FY20 was a busy one for us here at the Ninilchik Senior Center. Our snowbirds were back and there was lots of activities going on. We held our annual fall fundraiser in September and although the number of attendees was down as compared to last year the fundraiser did well overall. This quarter saw an increase in both congregate and home delivered meal numbers. During the first quarter of FY19, we happily served 3,474 meals as compared to 3,526 meals during this first quarter of FY20. Home delivered meals saw a slightly larger increase with 732 being served the first quarter of FY19 compared to 814 this first quarter of FY20. It's a good feeling knowing we're able to reach more of our folks at home with this program. Membership numbers remain strong here at the center. A few members have passed on but we've had new members join which is always nice to see. One of the more positive activities that has really taken off for us was the introduction of Bingo last summer! We have Bingo at the center every Wednesday afternoon and over the summer we added a few "night" bingo sessions. Members and non-members alike have enjoyed playing the game and socializing with the other players. Although we haven't had any major challenges this quarter, one thing to note here in Ninilchik that will affect the whole community is the closing of the General Store. They have been in town here for many many years and will be missed by the community. They plan on being open through the middle of October but the impacts of their closing will present a hardship for many as they will have to drive a lot farther to pick up grocery items. It remains to be seen if this closing will affect the amount of meals served here at the center or perhaps an increase in the amount of seniors asking for rides to town.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: Julie Otto Date: 10/10/19

Printed Name and Title: Julie Otto Executive Director



# Community & Fiscal Projects

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2150 • (907) 714-2377

**From:** Nikiski Senior Center  
**Account:** 280.63190

**Award Amount:** \$52,981  
**2019/2020 Senior Grant Program**

**Submit Report To:**  
 Brenda Ahlberg, Community & Fiscal Projects  
 bahlberg@kpb.us  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna, AK 99669

**Period of Performance for this Report:**  
**Start Date:** July 1, 2019  
**End Date:** September 30, 2019

**FINAL REPORT IS DUE BEFORE 07/10/20**

<< DOUBLE-CLICK THE SPREADSHEET. FILL IN THE BUDGET COLUMN TO ACTIVATE THE EMBEDDED FORMULAS >>

| Cost Category | Authorized budget   | Total expenditures from ALL prior reports | Expenditures to reimburse this period | Total expenditures to date | Balance of Funds    |
|---------------|---------------------|---|---------------------------------------|----------------------------|---------------------|
| Personnel     | \$ 52,981.00        | \$ -                                      | \$ 13,246.00                          | \$ 13,246.00               | \$ 39,735.00        |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
|               |                     | \$ -                                      | \$ -                                  | \$ -                       | \$ -                |
| <b>TOTALS</b> | <b>\$ 52,981.00</b> | <b>-</b>                                  | <b>\$ 13,246.00</b>                   | <b>\$ 13,246.00</b>        | <b>\$ 39,735.00</b> |

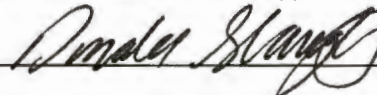
Expenditures this period to be reimbursed >>>

**\$ 13,246.00**

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

**Administrative Payroll Costs**  
 We have not experienced any special circumstances or have any other requests for the first quarter 2020.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures are made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature:  Date: 10/01/19

Printed Name and Title: Don Slaughter, President

**KENAI PENINSULA BOROUGH**  
Community & Fiscal Projects

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**MEMORANDIUM**

**TO:** Charlie Pierce, Mayor  
**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager  
**DATE:** October 23, 2019  
**SUBJECT:** **FY20-1Q Economic Development Grant Reports**

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Attached are the grant reports for the following entities:

KPEDD – Kenai Peninsula Economic Development District

SBDC – Small Business Development Center



# KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7599  
PHONE: (907) 714-2153 • FAX: (907) 714-2377  
EMAIL: bahlberg@kpb.us

FROM: KPEDD  
KPB ACCOUNT: 100.94900.KPEDD.43009

Contract Amount: \$100,000  
Ending: June 30, 2020

## Financial / Progress Report

|  |  |
|--|--|
| <b>Submit Report To:</b>               | <b>Project Name:</b> Non-Areawide KPB Economic Development |
| Brenda Ahlberg                         | <b>Date:</b> 10/10/2019                                    |
| Community & Fiscal Projects Manager    | <b>Report No.:</b> 1 of 4                                  |
| Kenai Peninsula Borough                | <b>Quarter From:</b> July 1, 2019                          |
| 144 N. Binkley St., Soldotna, AK 99669 | <b>To:</b> September 30, 2019                              |

### **FINANCIAL REPORT:** FINAL REPORT DUE ON OR BEFORE 07/10/20

| Cost Category          | Authorized Budget    | Expenditures from Last Report | Expenditures This Period | Total Expenditures to Date | Balance of Funds    |
|------------------------|----------------------|-------------------------------|--------------------------|----------------------------|---------------------|
| Personnel              | 100,000              | -                             | 25,000.00                | 25,000.00                  | \$ 75,000.00        |
|                        |                      | -                             |                          | -                          | \$ -                |
| <b>TOTALS</b>          | <b>\$ 100,000.00</b> | <b>-</b>                      | <b>\$ 25,000.00</b>      | <b>\$ 25,000.00</b>        | <b>\$ 75,000.00</b> |
| <b>Payment Request</b> |                      |                               |                          |                            | <b>\$ 25,000.00</b> |

**PROGRESS REPORT:** Describe activities that have occurred during this reporting period. Describe any challenges you may have experienced, any foreseen problems, and/or any special requests. Attach additional pages.

During the first quarter of 2019, KPEDD held three Complete Count Committee meetings to promote broader participation rates in the 2020 Census, moderated the Seward airport improvement project discussions, disseminated relevant data to the Borough Assembly and individual communities in the region, provided AGDC support during the Federal Energy Regulatory Commission's public comment period, provided support to Alaska Fish Nutrition in funding source identification and business consultation, hosted the annual Industry Appreciation Day event, assisted various businesses around the Kenai Peninsula, and worked in partnership with each of the communities and the federal Economic Development Administration to identify fundable community needs stemming from the November 2018 earthquake.

**Grantee Certification:** I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.

Signature: [Signature] Date: 10-10-2019

Printed Name and Title: Tim Dillon, Executive Director



**Alaska Small Business  
Development Center**

UAA BUSINESS ENTERPRISE INSTITUTE

**Kenai Peninsula**

**Alaska Small Business Development Center  
1901 Bragaw St., Ste. 199  
Anchorage, AK 99508  
(907) 786-7201**

**FY 2020**

**First Quarter Report**

**July 1, 2019 through September 30, 2019**



## Note from the Center Director: Cliff Cochran, Kenai Peninsula Center

The Kenai Peninsula Center for the Alaska SBDC started the new fiscal year on a high note, completing one of the busiest months in the history of the Soldotna center office. Now that tourist and construction seasons are winding down, business owners and entrepreneurs are looking to work on their business model or prepare to start a new business next year.

There has been an increase in existing businesses looking for assistance, as the Swan Lake Fire has significantly impacted the local economy. Many business owners have complained that all the negative press coverage for the fire deterred in-state tourists from making the trip down to Alaska's Playground. Even when the road was open and relatively safe, Anchorage and Mat-Su Valley residents stayed away, concerned the fire would spread and threaten the road. This caused many businesses to suffer decreases in revenues upwards of 25 percent. The SBA is expected to declare the Kenai Peninsula a disaster area due to economic injury in the next quarter and the SBDC will play an important role in guiding business owners through the process.

Accommodation and food service was again the most-advised industry this past quarter, followed closely by healthcare. With the closure of the MediCenter, due to having failed a Medicare fraud investigation, a number of displaced providers have obtained assistance from the SBDC as they look to start new practices. In another development, multiple clients have signed up and received business advising assistance on purchasing The Moose Is Loose bakery, a local icon and top-rated food service business on the Peninsula, according to Trip Advisor.

During the first quarter, 10 clients reported the creation of 17 new jobs in the Kenai Peninsula region. In addition to these new jobs, the SBDC is now keeping track of jobs supported through our advising efforts. During this quarter, the SBDC provided support to 179 jobs at 31 businesses, located in communities all over the Peninsula.

Workshops presented by the Alaska SBDC were attended by 16 Kenai Peninsula residents. These classes, offered live in-person and online, cover a wide array of subjects and harness both in-house expertise and professional adjuncts. In addition to the live workshops, 12 new on-demand workshops have been added, with topics ranging from legal advice to marketing. These workshops are available 24/7 and are able to be accessed as many times as needed.

The Alaska SBDC will be giving a presentation on our services and results to the Borough Assembly on November 5. I'm looking forward to seeing everyone, including the new members from Soldotna, Nikiski, and Kasilof.

## At a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)

### Number of Clients Advised

Current Quarter: 69

FY 2020\*: 69

### Jobs Created by Clients

Current Quarter: 17

FY 2020\*: 17

### Business Starts

Current Quarter: 5

FY 2020\*: 5

### Capital Infusion

Current Quarter: \$125,500

- SBA Loans: \$0
- Non-SBA: \$125,000
- Non-Debt Financing: \$500

FY 2019\*: \$125,000

## Alaska SBDC Kenai Peninsula Center Activity – Historical Comparison\*

\*Note: Due to recent changes to federal SBA data collection and reporting protocols, previous data can no longer be effectively compared to current results. FY 2018 Q4 and FY 2019 Q1 all represent the old methodology (in gray), while FY 2019 Q2 - FY2020Q1 represent the new methodology.

Future reports will continue to feature comparison data by quarter using the new directives.

|                                | FY 2018<br>Q4<br>4/1/18 -<br>6/30/18 | FY 2019<br>Q1<br>7/1/18 -<br>9/30/18 | FY 2019<br>Q2<br>10/1/18 -<br>12/31/18 | FY 2019<br>Q3<br>1/1/19 -<br>3/31/19 | FY 2019<br>Q4<br>4/1/19 -<br>6/30/19 | FY 2020<br>Q1<br>7/1/19 -<br>9/30/19 |
|--------------------------------|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| New business created           | 12                                   | 8                                    | 7                                      | 6                                    | 11                                   | 5                                    |
| Jobs created                   | 32                                   | 31                                   | 12                                     | 14                                   | 21                                   | 17                                   |
| Loans (in dollars)             | \$488,400                            | \$945,275                            | \$300,000                              | \$283,500                            | \$1,600,000                          | \$125,000                            |
| Total capital (loans + equity) | \$758,400                            | \$1,470,700                          | \$300,350                              | \$638,050                            | \$1,671,710                          | \$125,500                            |
| New clients                    | 30                                   | 29                                   | 22                                     | 32                                   | 24                                   | 20                                   |
| Total clients                  | 85                                   | 72                                   | 68                                     | 74                                   | 83                                   | 69                                   |
| Total advising hours           | 358.41                               | 299.92                               | 421.25                                 | 312.17                               | 202.75                               | 300.92                               |

## **Clients & Advising at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)**

### **69 Clients by Current Lifecycle**

Pre-venture: 28  
Startups: 14  
In-business: 27

### **Clients by Industry**

Accommodation/Food Service: 13 clients  
Healthcare: 12 clients  
Service: 9 clients  
Construction: 8 clients  
Arts and Entertainment: 7 clients  
Professional/Technical: 6 clients  
Manufacturer/Producer: 4 clients  
Retail: 3 clients  
Agriculture: 2 clients  
Transportation/Warehousing: 2 clients  
Administrative/Support: 1 client  
Real Estate: 1 client  
Wholesale: 1 client

### **Areas of Advising**

Startup Assistance: 89 hours  
Managing a Business: 82 hours  
Financing: 43 hours  
Business Plan: 27 hours  
Buy/Sell a business: 26 hours  
Marketing/Sales: 12 hours  
Legal Issues: 10 hours

### **Summary:**

Of the 69 entrepreneurs who received advising assistance during the first quarter of FY 2020, 28 were in the pre-venture phase, 14 were startups, and 27 were already in business. Now that tourist and construction seasons are winding down, there has been a sharp increase in advising hours, as business owners and entrepreneurs look to make adjustments to their business models. The Swan Lake Fire caused massive impact to the Kenai Peninsula economy, with many small business owners reporting revenue decreases in excess of 25% from last year. The SBA is expected to declare the Kenai Peninsula a disaster area due to economic injury in the next quarter and the SBDC will play an important role in guiding business owners through the process. Accommodation and food service was again the most-advised industry this past quarter, followed closely by healthcare. With the closure of the MediCenter, due to having failed a Medicare fraud investigation, a number of displaced providers have obtained assistance as they look to start new practices. In another development, multiple clients have signed up and received business advising assistance on purchasing The Moose Is Loose bakery, a local icon and top-rated food service business on the Peninsula, according to Trip Advisor.

## **Jobs at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)**

### **New Jobs Overview**

17 new jobs  
10 clients

### **New Jobs by Industry**

Professional/Technical: 1 client (6 jobs)  
Construction: 3 clients (3 jobs)  
Accommodation/Food: 2 clients (3 jobs)  
Service: 2 clients (2 jobs)  
Retail: 1 client (2 jobs)  
Healthcare: 1 client (1 job)

### **Jobs Supported**

179 jobs  
31 clients

### **Summary:**

During the first quarter of FY 2020, 10 clients reported the creation of 17 new jobs in the Kenai Peninsula region. The largest number of jobs came from the professional/technical industry, with six jobs created this quarter from an educational business. Next was construction, with three businesses reporting one new job each, and accommodation/food service, with two clients able to create three jobs. The SBDC is also now tracking jobs supported, which is a metric that shows total SBDC impact to jobs around the peninsula. During the first quarter, 179 jobs from 31 small businesses were supported by advising through the SBDC.

## **New Clients at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)**

### **20 New Clients by Initial Stage**

Pre-ventures: 16  
Startups: 3  
In-business: 1

### **New Clients by Industry**

Accommodation/Food Service: 5 clients  
Healthcare: 3 clients  
Construction: 2 clients  
Professional/Technical: 2 clients  
Retail: 2 clients  
Service: 2 clients  
Administrative/Support: 1 client  
Agriculture: 1 client  
Arts & Entertainment: 1 client  
Real Estate: 1 client

### **New Clients by Community**

Anchor Point: 1 client  
Cooper Landing: 3 clients  
Homer: 3 clients  
Kenai: 6 clients  
Moose Pass: 1 client  
Seward: 2 clients  
Soldotna: 3 clients  
Sterling: 1 client

### **Summary:**

The Alaska SBDC Kenai Peninsula Center on-boarded 20 new clients during the first quarter of FY 2020. Again, the overwhelming majority was from entrepreneurs looking to start new businesses. There was only one new client who owned their business for more than two years. Accommodation/food service topped the list, followed by healthcare, construction, retail and service. Impact from the SBDC was again felt around the peninsula, with new clients served from Seward to Homer, and nearly everywhere in between.

## **New Businesses at a Glance: Kenai Peninsula FY20 Q1 (Jul 1, 2019 - Sep 30, 2019)**

### **5 Qualifying New-Business Starts**

#### **Summary:**

An enterprise is considered “in-business” when all required licensing/permitting is acquired, has payroll, acquired debt or equity capital, incurred business expenses, and/or created sales. During the first quarter of FY 2020, five clients reported the creation of business starts within the accommodation & food service, construction, and service sectors. These were located in the communities of Kenai, Homer, and Seward, with four startups and one business purchase.

## **Workshops**

#### **Summary:**

Alaska SBDC workshops were attended by 16 Kenai Peninsula residents. These classes, offered in both in-person and webinar formats, covered a wide array of subjects and harnessed both in-house expertise and professional adjuncts. Over the last year, the SBDC workshop program focused on growing the workshop offerings and ensuring any content is up-to-date and relevant to Alaska's small businesses. In addition to the live workshops (offered both in-person and via webinar), 12 new on-demand workshops were added to the workshop listing over the past year. The topics of these new on-demand workshops range from digital media to business insurance to creating financial projections and more. These workshops are available 24/7 and are able to be accessed as many times as needed.

### Spread Love & Cream Cheese with Everything Bagels

Crafting the best hand-rolled bagels and handcrafted spreads since 2016, Everything Bagels proudly serves delicious breakfast and lunch sandwiches, soups, salads, and coffees, making them well-known as the premier bagel restaurant on the Kenai Peninsula.



It all began as a craving on a cold winter's morning. The need for a fresh, crunchy-on-the-outside, soft-on-the-inside, New York style bagel in the heart of the Peninsula. That led Pamela and Matthew Parker to roll up their sleeves and try their hand at bagel artistry. Cravings satisfied and pleasantly surprised by the outcome and adoration of friends and fans, the self-proclaimed, "Bagel People," have since opened their first bagel restaurant and are sharing their tasty creations with their community.

What sets Everything Bagels apart is not only the extraordinary outer crunch, natural ingredients, and quality spreads, but also that the Parkers believe there are no shortcuts in creating a delightful product or a memorable experience for their customers. With a mission baked in the local community that they should "never stop rising," and to "keep on rolling," Everything Bagels delivers on providing fresh and high-quality ingredients coupled with artisan recipes.

To plan their launch, Pamela worked with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna to get started off on the right track. About her entrepreneurial experience, she shared:

*"It feels like the Alaska SBDC has been with our business from the very beginning. After landing on the idea to start Everything Bagels in early 2016, we met with an advisor to go over our initial business model. This was a great opportunity to ask questions, explore available resources, and fine-tune our business plan. A few years down the road, when it was time to look at expanding our business, we again turned to Alaska SBDC for help with market research and exploring the viability of our growth opportunity. We have since used their advice, data, and resources to help Everything Bagels get our product into more local coffee shops."*

Cliff Cochran, Kenai Peninsula Center Director for the Alaska SBDC, went on about his experience advising Everything Bagels, adding, *"It has been fantastic working with Pamela as she continues to grow Everything Bagels. She is a true first mover, having successfully launched the first-ever specialty bagel shop in the Central Kenai Peninsula. Her leadership with Startup Week has opened doors for others looking to start a small business here and expand the local economy. I'm looking forward to working with her for years to come and excited to see what the future holds for Everything Bagels."*



Since launching the bagel shop, Pamela added a second business, Snappy Turtle Photobooths, and has become an active member of the business community. She is the current president-elect of the Soldotna Chamber of Commerce board and has served as treasurer and president of the Kenai Peninsula Tourism Marketing Council board. For the past two years, she has led the local Startup Week committee, a statewide event in November dedicated to providing resources to entrepreneurs, like herself, to launch businesses in their communities. She is currently running for a seat on the Soldotna City Council, further striving to make the area a great place to work and live.

Everything Bagels is open Monday-Friday, 6:30am - 2:00pm and Saturday, 7:30am - 3:00pm. Call your order ahead at (907) 252-8135 and swing by 35251 Kenai Spur Hwy in Soldotna to spread love and cream cheese! Review their menu at <http://www.everythingbagelsak.com/> and visit them on [Facebook](#) and [Instagram](#)!

## Design Your Dream Home with Draft Alaska, LLC

Kimber Graham took her background in architectural engineering and interior design and coupled it with her passion for building and renovating homes to create her own custom home drafting business, Draft Alaska, LLC.

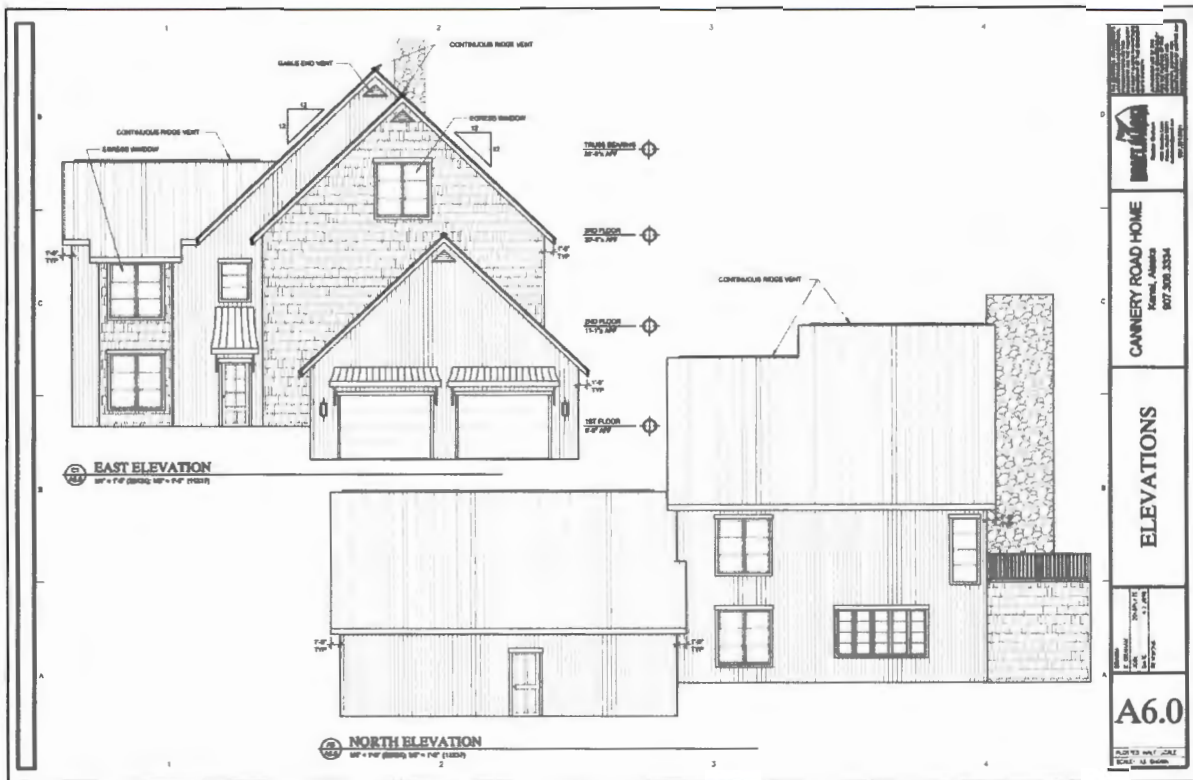


Kimber worked with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna to put her plans in motion for building her own business. She worked closely with business advisor Cliff Cochran on financial projections to ensure she would start out competitive. *“The SBDC was just what I needed to give my business a kickstart. They even provided me with a list of companies to promote myself to. I can’t explain the confidence I had when walking out of the SBDC office. Many thanks for the boost.”*

After working with Kimber for the past two years, her business advisor shared, *“It’s been great working with Kimber to help her launch Draft Alaska, and now exciting to see her business grow. In just over a year, she’s already recognized as the top professional drafter on the Kenai Peninsula. Her rapidly expanding portfolio is impressive, with projects ranging from cozy cabins to massive lakefront dream homes. It’s fantastic to see a client succeed so quickly and significantly outperform initial expectations.”*

As someone who understands the planning process and multiple changes to the implemented process, Kimber is the perfect professional to help you with your own plans. You know the ones that you’ve dreamed about for years or even started to put to paper with questions and decisions to be made arising with each stage.





With more than ten years of drafting experience, Draft Alaska will help you work through those questions and options, no matter how many changes pop up.

Give Draft Alaska a call and connect with Kimber at (907) 201-0931 or via [email](mailto:kimber@draftalaska.com).

## Killing it on the Peninsula: Kenai Kombucha

If you haven't yet tried the refreshing and delightful selections from Kenai Kombucha, you are in for a treat. Veteran owned, women-owned, and made in Alaska, owner Devon Gonzalez is busy serving up fresh and locally brewed kombucha!

Already featured at two breweries, St Elias and Kenai River Brewing Company respectively, in addition to Everything Bagels, and True Blue Drive-Thru, Kenai Kombucha is establishing a name for themselves on the Kenai Peninsula.

Devon worked with the Alaska SBDC to get a running start on her business launch. She said, *"The Alaska SBDC has been a great resource for my husband and I in starting our business. They helped answer any questions we had. We have hit the ground running and we are not looking back. Thank you to the SBDC for helping us get the ball rolling."*



Alaska SBDC business advisor, Cliff Cochran, has raved of her determination and business savviness.

He shared, *"Devon and Brian have done a great job starting Kenai Kombucha from scratch. They've given thoughtful consideration for everything, and it really shows in the quality of their products. Within just three months, they've suddenly become one of the best food and beverage hits at the local markets this summer. They have a fantastic tasting product and know exactly how to market it. I would not be surprised to see them grow outside of Alaska very soon."*

Check out Kenai Kombucha on [Facebook](#) and [Instagram](#) and snag a great hoodie, hat, or t-shirt with your next growler!



## **Jumpin' Junction Family Fun Center Where Fun and Families Come Together**

Just two years ago, Kevin Miller identified an opportunity to purchase a local business for sale and worked diligently to make his dream of small business ownership a reality. After working with the Alaska Small Business Development Center (Alaska SBDC) in Soldotna on the purchase, he has since focused on updating and expanding the business to meet the needs of his local community.



Jumpin' Junction Family Fun Center is 12,000 sq ft packed with blacklight mini-golf, a video arcade, a delicious “grub hub,” and a new virtual reality gaming room by Virtuix Omniverse. The VR gaming attraction is the first of its kind on the Kenai Peninsula, bringing an exciting new entertainment for all ages. The Inflatable Play Center features bounce houses and an 18 ft slide, making Jumpin' Junction fun for the entire family. Kids under the age of one can play for free!

*On working with the Alaska SBDC they shared, "When my wife and I considered purchasing Jumpin' Junction, our first phone call was to the Alaska SBDC office. Cliff Cochran of the Soldotna office was incredibly helpful. Not only did he assist with advice on lenders, financing options, paperwork requirements, local regulations, and general business practices. But he was a wealth of information regarding local information, marketing options, demographics, and navigating local competition. This*

*community is built on small locally owned business and the Alaska SBDC office is a vital tool in our success."*

Kenai Peninsula Center Director, Cliff Cochran, shared about the progress, *"Kevin has done a great job taking over Jumpin' Junction during the recession and expanding its customer base from kids to include teens and adults. I've tried their new VR gaming system and it is a blast to play, as well as being a great way to burn serious calories. They also have one of the coolest miniature golf courses in Alaska, some great arcade games, and of course, the bouncy structures. I'm excited to see this business continue to grow and provide a place for everyone to have fun."*



The virtual gaming system added this past summer brings a new dimension to Jumpin' Junction, catering specifically to teens and adults of all ages. Users are able to play solo or multiplayer and experience endless VR worlds. One of the most popular is Omni Arena, a high-energy, four-player esports attraction, where participants run through an obstacle course gathering weapons to defeat opposing robots. This state-of-the-art gaming system brings a whole new level of entertainment to the Peninsula.

In addition to providing a safe space for children and families to connect, exercise, and play, Jumpin' Junction also offers hot plates like corn dogs, chicken fingers, and Papa Murphy's pizza alongside sweets, drinks and coffees, and packaged snacks like chips, fruit cups, and fruit strips.

Be sure to follow Jumpin' Junction on Facebook and Instagram to be the first to know about special offers and discounts! Call Jumpin' Junction at (907) 420-0566 to schedule an event or book a private party and use *#jumpinjunction* on social media to share your experience!

## Mutts About Tundra Tails Pet Sitting

Fellow pet-owners know that finding trustworthy and affordable pet care can be a challenge. Whether you are looking for in-home care or a boarding facility, Hanah Burrell of Tundra Tails Pet Sitting believes that having peace of mind while away from home or traveling is essential.

Especially in pet-related businesses, real passion, patience, and understanding make the difference in trusting someone with the furry member of your family. Hanah grew up in a family of animal-lovers on the Kenai Peninsula and has taken her love and appreciation for animals and created her own business. With four dogs of her own and experience with almost every kind of pet, Hanah also has experience with those with varying temperaments, ages, and needs.

Hanah is certified in Canine/Feline CPR and First Aid, making Tundra Tails Pet Sitting an exceptional pet-care provider on the Peninsula. The reviews and referrals speak for themselves, next time you are looking for reliable pet-care, reach out to Tundra Tails Pet Sitting!



Hanah worked closely with Kenai Peninsula Center Director Cliff Cochran when planning for and launching her new business. Recounting her experience, she said, “*The Alaska Small*

*Business Development Center has been supportive of my small business goals since the beginning of its fruition. Cliff Cochran's expert insight on licensing and possible lending options along with referrals to potential contractors for when Tundra Tails expands to include a boarding facility has been extremely helpful.”*



Connect with Hanah on [Facebook](#) and [Instagram](#) - where you'll be treated to real reviews, pet selfies, and humor! Be sure to stay tuned for Tundra Tails Pet Sitting expanding with new boarding services.

## Integrated Robotics Imaging Systems, Inc

John Parker started Integrated Robotics Imaging Systems (IRIS) in 2012 to find a solution to clean up debris along the coast of Alaska from the Tohoku, Japan tsunami in 2011. Parker developed drones to be able to conduct missions off ships, plying Alaska's shorelines, to identify areas where cleanup needed to be performed. He met with Alaska SBDC advisor Bryan Zak in 2013 to refine his business plan.

In 2016, shortly after the devastating urban fires in Northern California, the Eyak Corporation asked Parker to begin research to develop a reliable wildfire detection system for Alaska. The system he developed, with proven technology from Spain, uses thermographic cameras to detect four types of fire morphology. This reduces the industry-standard false-positive rate of around 30% to less than 2%. Parker's system can detect a one square meter fire at a distance of five kilometers (3.1 miles). With the collaboration of Mike Messick, of Deep Forest Security Consulting, Parker's system was recently installed on the eastern edge of Anchorage to protect the city from wildfires blazing down the slopes of the Chugach Mountains.



Cliff Cochran, Alaska SBDC Kenai Peninsula Center Director and Business Advisor shared of Parker's vision, *"It's been great to see the impact that IRIS's technology is having across our state and country. This is especially near and dear to my heart, as my brother-in-law lost his home and all of his possessions in 2015, when the Tubbs Fire devastated Santa Rosa, California, and surrounding areas. Sonoma County is still seeing the impacts of the fire today, and the effects could have been significantly lessened with the technology that John has developed."*

For more information and to connect, visit Integrated Robotics Imaging Systems online at <https://www.uav-alaska.com/>

Kenai Peninsula Borough  
Finance Department

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**MEMORANDUM**

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

**THRU:** Charlie Pierce, Mayor *CP*

**FROM:** Brandi Harbaugh, Finance Director *BA*  
Marcus A. Mueller, Land Management Officer *MM*

**DATE:** October 16, 2019

**RE:** FY20-1Q Land Trust Investment Fund - Investment Report

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The Land Trust Investment Fund ("LTIF") was established through Ordinance 2018-29 in September 2018. A transfer of \$5,275,000 from the Land Trust Fund established the initial principle investment in the fund. The financial assets of the Land Trust Investment Fund are essentially an endowment intended to preserve the value of land assets that are sold and to generate investment income to support and supplement the operating revenue of the Land Trust Fund and for other uses as determined by the Assembly.

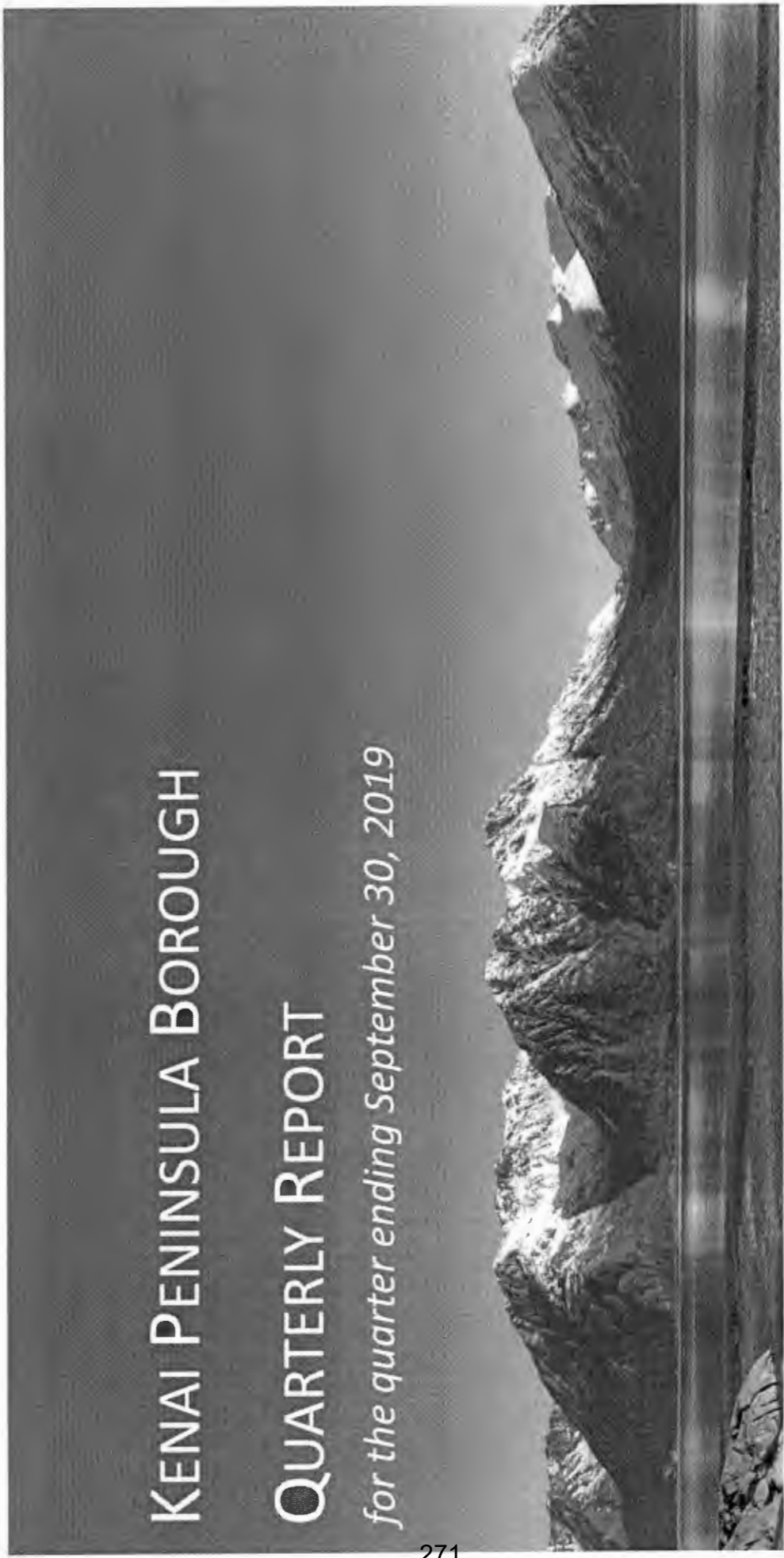
Per KPB 5.20.080 (B) the net proceeds of land sales will be transferred from the Land Trust Fund ("LTF") to the "LTIF" provided that the fund balance policy minimum requirements of the "LTF" are met. The Land Trust Fund's net proceeds from land sales for fiscal year 2019 were \$285,505. The Land Trust Fund's fund balance will remain above the minimum requirements as of June 30, 2019 with a transfer of \$285,505.



# KENAI PENINSULA BOROUGH

## QUARTERLY REPORT

*for the quarter ending September 30, 2019*



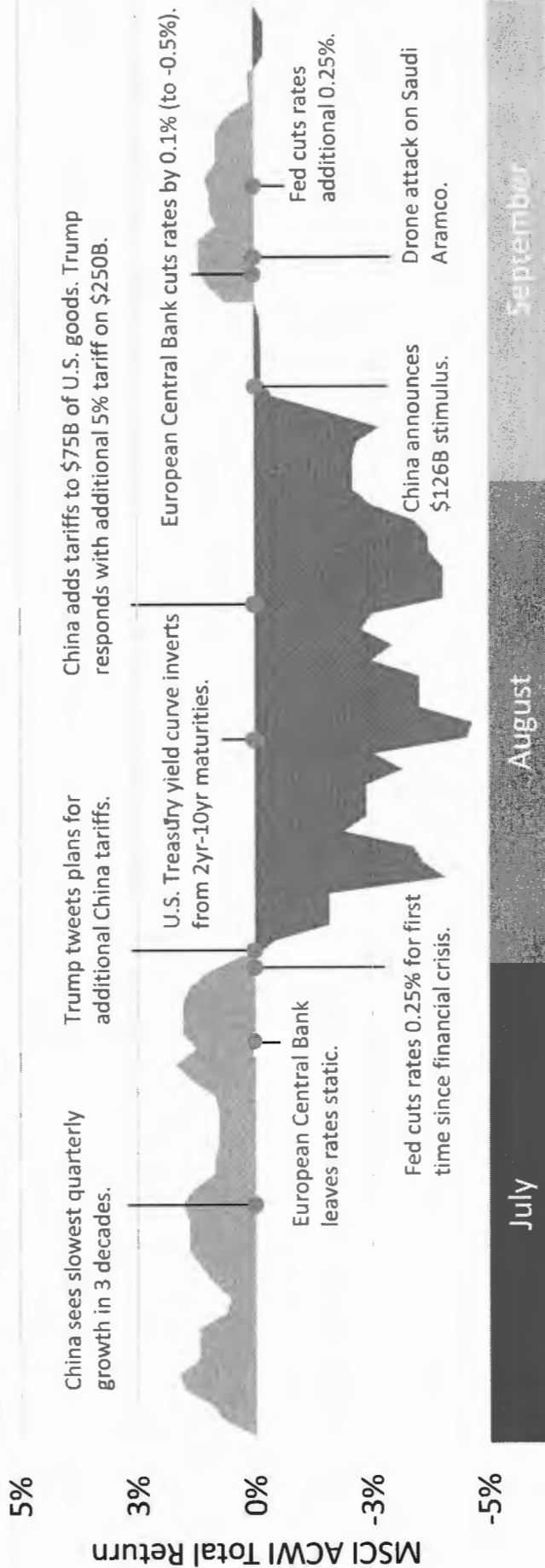
ALASKA PERMANENT  
CAPITAL MANAGEMENT  
— Registered Investment Adviser

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TRUSTED ADVISORS • MORE EXPERTS • BETTER ACCESS

# Global Markets End Flat After Eventful Quarter

## Third Quarter 2019



**Equities:** Q3 was chock full of events but overall, global equities ended the quarter essentially flat - largely supported by modest U.S. equity performance. Two rate cuts and a resilient economy (rising wages, labor force participation, and consumer confidence) in the face of trade pressures helped U.S. stocks to see a positive return for the quarter. International developed and emerging stocks, however, ended with negative returns.

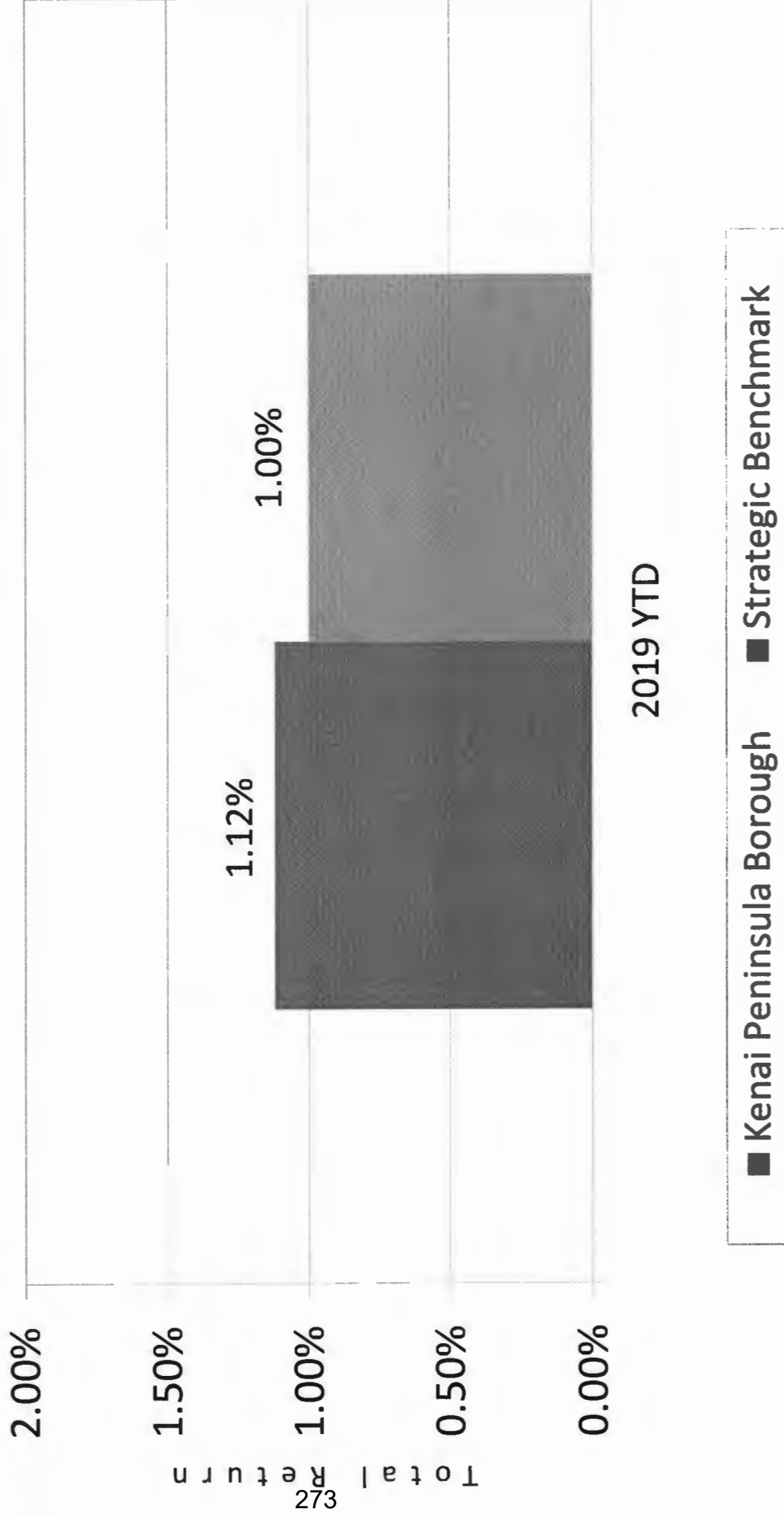
**Real assets:** As rates (and bond yields) decreased across the globe, real assets saw some of the best performance relative to other asset classes as investors reached for yield. U.S. real estate was the "real" MVP, gaining almost 7.5% while global infrastructure also ended with positive performance. Commodities were the exception though, as higher oil prices from the attack on Saudi Aramco proved short-lived - with gains almost completely erased within two weeks.

**Interest rates:** Interest rates had a wild ride this quarter. The U.S. 10-Year treasury yield, for example, finally landed at 1.66% - in the middle of its quarterly range of 1.46% - 2.14%. In short-term rates, the Fed Funds saw two cuts both at 0.25% each while the European Central Bank cut deeper into negative territory. In mid-September, the Fed Funds Rate broke out of its target range - triggering the Fed to inject \$203 billion with repurchase agreements. Although not providing as high of a yield as other assets, fixed income still had its place in portfolio diversification. Spurred on by rate declines and a move to safer investments, global bonds gained 2-3% for the quarter in addition to their already strong YTD performance.



**PORTFOLIO  
REVIEW**

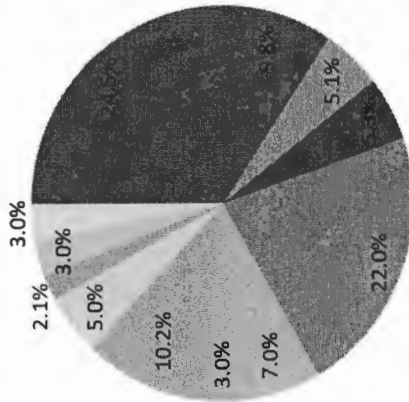
**Account Performance** as of September 30, 2019  
*Kenai Peninsula Borough*



Performance is gross of fees. Inception performance begins on June 30, 2019. Strategic benchmark is a blended return of the account's target allocation.

**PORTFOLIO  
REVIEW**

**Asset Allocation** as of September 30, 2019  
*Kenai Peninsula Borough*

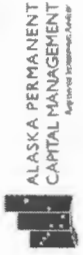


- U.S. Fixed Income
- International Bonds
- Large Cap
- Small Cap
- Emerging Markets
- Infrastructure
- U.S. TIPS
- Cash
- Mid Cap
- International
- Real Estate Equity
- Commodities

| Asset Class                    | % Assets     | Strategic Benchmark | Range  | Market Value       |
|--------------------------------|--------------|---------------------|--------|--------------------|
| <b>Fixed Income</b>            | <b>44.7%</b> | <b>45%</b>          |        | <b>\$2,448,035</b> |
| U.S. Fixed Income              | 24.5%        | 25                  | 15-35% | \$1,342,860        |
| U.S. TIPS                      | 9.8%         | 10                  | 5-15   | \$537,097          |
| International Bonds            | 5.1%         | 5                   | 0-10   | \$279,442          |
| Cash                           | 5.3%         | 5                   | 0-10   | \$288,636          |
| <b>Equities</b>                | <b>47.2%</b> | <b>47%</b>          |        | <b>\$2,583,980</b> |
| Large Cap                      | 22.0%        | 22                  | 12-32% | \$1,201,521        |
| Mid Cap                        | 7.0%         | 7                   | 0-15   | \$382,595          |
| Small Cap                      | 3.0%         | 3                   | 0-6    | \$165,410          |
| International                  | 10.2%        | 10                  | 5-15   | \$559,452          |
| Emerging Markets               | 5.0%         | 5                   | 0-10   | \$275,002          |
| <b>Alternative Investments</b> | <b>8.0%</b>  | <b>8%</b>           |        | <b>\$439,917</b>   |
| Real Estate Equity             | 2.1%         | 2                   | 0-5%   | \$112,587          |
| Infrastructure                 | 3.0%         | 3                   | 0-6    | \$163,240          |
| Commodities                    | 3.0%         | 3                   | 0-6    | \$164,090          |

**Total**

**\$5,471,932**



|                         | <b><u>LTIF ITD 09/30/19</u></b> |
|-------------------------|---------------------------------|
| Portfolio on 01/01/2019 | 5,275,000.00                    |
| Contributions           | -                               |
| Withdrawals - fees      | (1,353.00)                      |
| Change in Market Value  | 112,063.00                      |
| Interest Dividends      | 86,222.00                       |
| Portfolio on 09/30/2019 | <b><u>5,471,932.00</u></b>      |
| Yield ITD               | 3.73%                           |



## Kenai Peninsula Borough Assembly Committees 2019 – 2020

### ASSEMBLY COMMITTEES

- **Finance Committee**  
Brent Hibbert, Chair  
Tyson Cox, Vice Chair  
Brent Johnson
- **Lands Committee**  
Brent Johnson, Chair  
Kenn Carpenter, Vice Chair  
Norm Blakeley
- **Policies & Procedures Committee**  
Willy Dunne, Chair  
Hal Smalley, Vice Chair  
Kenn Carpenter
- **Legislative Committee**  
Hal Smalley, Chair  
Jesse Bjorkman, Vice Chair  
Willy Dunne
- **President Pro Tem**  
Brent Hibbert
- **OTHER BOROUGH COMMITTEES**
- **School Board**  
Tyson Cox  
Brent Johnson, Alternate

### SERVICE AREA BOARD LIAISONS

- **Anchor Point Fire & EMS** – Willy Dunne
- **Bear Creek Fire** – Kenn Carpenter
- **CES/CPEMS** – Norm Blakeley
- **Kachemak Emergency Service Area** – Willy Dunne
- **KPB Roads** – Kelly Cooper
- **Nikiski Seniors** – Jesse Bjorkman
- **Nikiski Fire** – Jesse Bjorkman
- **North Peninsula Recreation** – Jesse Bjorkman
- **Seldovia Recreational** – Willy Dunne
- **Seward/Bear Creek Flood** – Kenn Carpenter
- **South Kenai Peninsula Hospital** - Kelly Cooper, Willy Dunne
- **NON-BOROUGH COMMITTEES**
- **Cook Inlet Aquaculture**  
Dale Bagley
- **Cook Inlet R.C.A.C.**  
Grace Merkes, term expires April 2020
- **Kenai Peninsula Economic Development District**  
Hal Smalley, term expires with office
- **Kenai Peninsula College Council**  
VACANT, term expires with office
- **Kenai River Special Management Area Advisory Board**  
Brent Hibbert, term expires with office
- **Prince William Sound R.C.A.C.**  
Mako Haggerty, term expires May 2019
- **Kachemak Bay Research Reserve Community Council**  
Willy Dunne, term expires with office