



KENAI PENINSULA BOROUGH GRANTS MANAGEMENT

M E M O R A N D U M

TO: Mike Navarre, Mayor
FROM: Brenda Ahlberg, Community & Fiscal Projects Manager
DATE: 18 April 2016
SUBJECT: FY16-3Q Non-department Grant Reports

Attached are the FY16-3Q grant reports for non-departmental awards.

CARTS – Central Area Rural Transit System

KPEDD – Kenai Peninsula Economic Development District - Report not received as of 04/18/16

KPTMC – Kenai Peninsula Tourism Marketing Council

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

GRANTS

APR 09 2016

RECEIVED

FROM: CARTS
KPB ACCOUNT: 100.94910.CARTS.43010

Contract Amount: \$50,000
Ending: June 30, 2016

Financial / Progress Report

Submit Report To:

Project Name: Public Transportation

Brenda Ahlberg

Date: 4/9/16

Community & Fiscal Projects Manager

Report No.: 3

Kenai Peninsula Borough

Quarter From: 01/01/16

144 N. Binkley St., Soldotna, AK 99669

To: 03/31/16

FINANCIAL REPORT:

Personnel	\$ 26,000.00	15,277.23	1,878.06	17,155.29	\$ 8,844.71
Travel		-	-	-	\$ -
Contractual	\$ 14,000.00	8,500.00	5,086.36	13,586.36	\$ 413.64
Supplies	\$ 10,000.00	4,647.14		4,647.14	\$ 5,352.86
Equipment		-	-	-	\$ -
		-		-	\$ -
TOTALS	\$ 50,000.00	28,424.37	\$ 6,964.42	\$ 35,388.79	\$ 14,611.21
Payment Request					\$ 6,964.42

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.

CARTS delivered 13,167 trips during this reporting period. This brings the grand total of CARTS trips to 741,973. This quarter there were 5,361 trips for passengers traveling back and forth to work or work related training. For this quarter 67% of our passengers were purchasing their own trips. In Homer there were 2,270 trips delivered.

It was announced at the end of March the planning grant applied for was not funded.

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:

Jennifer Beckmann

Date:

4/9/16

Printed Name and Title:

Jennifer Beckmann, 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: KPTMC
KPB ACCOUNT: 100.94910.KPTMC.43021

Contract Amount: \$340,000
Ending: June 30, 2016

GRANTS
APR 14 2016
RECEIVED

Financial / Progress Report

Submit Report To:

Brenda Ahlberg

Community & Fiscal Projects Manager

Kenai Peninsula Borough

144 N. Binkley St., Soldotna, AK 99669

Project Name: Tourism Marketing/Peninsula Promotion

Date: April 14, 2016

Report No.: 3

Quarter From: July 1, 2015

To: June 30, 2016

FINANCIAL REPORT: FINAL REPORT DUE ON OR BEFORE 10 JULY 2016

Cost Category	Authorized Budget	Expenditures from Last Report	Expenditures This Period	Total Expenditures to Date	Balance of Funds
Personnel	\$ 56,400.00	\$ 24,700.26	\$ 12,129.44	\$ 36,829.70	\$ 19,570.30
Travel	\$ 14,300.00	\$ 6,716.28	\$ 4,774.66	\$ 11,490.94	\$ 2,809.06
Adv/Marketing	\$ 269,300.00	\$ 153,438.09	\$ 90,707.67	\$ 244,145.76	\$ 25,154.24
TOTALS	\$ 340,000.00	\$ 184,854.63	\$ 107,611.77	\$ 292,466.40	\$ 47,533.60

Payment Request	\$ 107,611.77
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See attached "Cash Match Summary" (if applicable this quarter).

The award increase of \$40,000 will be paid on actual cash outlays totaling \$20,000 on a pro-rata basis, which may be reported quarterly or lump sum

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.

Situation Analysis:

Alaska is expected to have another record tourism season this year. The Alaska Department of Labor & Workforce Department, in a recent article titled "Alaska Economic Trends January 2016," said tourism will grow by 2% to 3% this year, while the cruise industry predicts passenger count will top the 1 million mark for the first time.

While the State of Alaska is struggling with fiscal challenges brought on by low oil prices, tourism is a bright spot in the economy.

The state already hit a milestone in 2015, when it welcomed more than 2 million visitors for the first time. Anchorage, specifically, saw 5% growth in tourism last year, while the Kenai Peninsula saw an increase of 8.6% in primary tourism business taxable sales.



2nd and 3rd Quarter 2015 Borough Wide Taxable Sales for Primary Tourism Businesses:

- GUIDED LAND: \$2,054,383 ↑26%
- GUIDED WATER: \$46,796,349 ↑7.8%
- CAR RENTAL: \$1,885,147 ↑4%
- TOUR OPERATORS: \$1,384,794 ↑8.5%
- ACCOMMODATIONS: \$65,850,229 ↑7%
- RESTAURANTS: \$51,856,481 ↑10%



The state's increased popularity can be credited to a combination of trends, notably a younger demographic and lots of activities for all generations. The trend towards active adventures is especially beneficial to The Kenai as our brand "Alaska's Playground" targets visitors seeking an up close and personal Alaskan adventure.

Alaska was also recently named the number-five destination in Lonely Planet's "Best in the U.S. for 2016," which highlights the must-see cities, regions, and states for the year. Two adventure travel conventions will also be held in Anchorage in 2016, providing even greater opportunities for growth.

Passport to the Kenai:

The 2016 Passport to Adventure on the Kenai has been printed and distribution has begun, with thousands already in consumer hands.

KPTMC will distribute 20,000 Passports again this year. The Passport targets travelers who are traveling The Kenai this season specifically and encourages them to visit all of our communities on the Kenai Peninsula, rather than just passing through. This works especially well for our smaller communities such as Hope, Moose Pass, Anchor Point and Seldovia. By collecting stamps in 10 of 13 communities, participants are entered to win a four night stay and three days of fishing in 2017.



In addition to the fold-out map and community pages, the Passport contains 40 coupons for activities, accommodations, restaurants and other products. One of the great things about this program is that the coupons are easy for advertisers to track in order to gauge their ROI.

Taste of The Kenai

KPTMC held our 6th Annual Taste of the Kenai Food and Spirit Tasting Event Saturday, February 13th at the Soldotna Sports Center. The event sold out 320 tickets two weeks in advance.

We had a record 23 food and spirit vendors who participated from Seward to Homer.

The Taste netted over \$30,000 to support KPTMC's mission to promote The Kenai Peninsula as a world class vacation destination. A great place to visit is a great place to live, work and do business.



Consumer Shows:

It's show season! We kicked things off with our big out of state show in Long Beach. We distributed many rack cards for participating member businesses, over 1,000 Kenai Peninsula Discovery Guides and about an equal number of community guides.

We also attended The Mat-Su Outdoorsman Show and the Great Alaska Sportsman Show, handing out our print materials, bags, and member brochures. Next up is the Fairbanks Outdoorsman show, followed by the Soldotna Sport Rec and Travel Show.

Travel Writer Assistance:

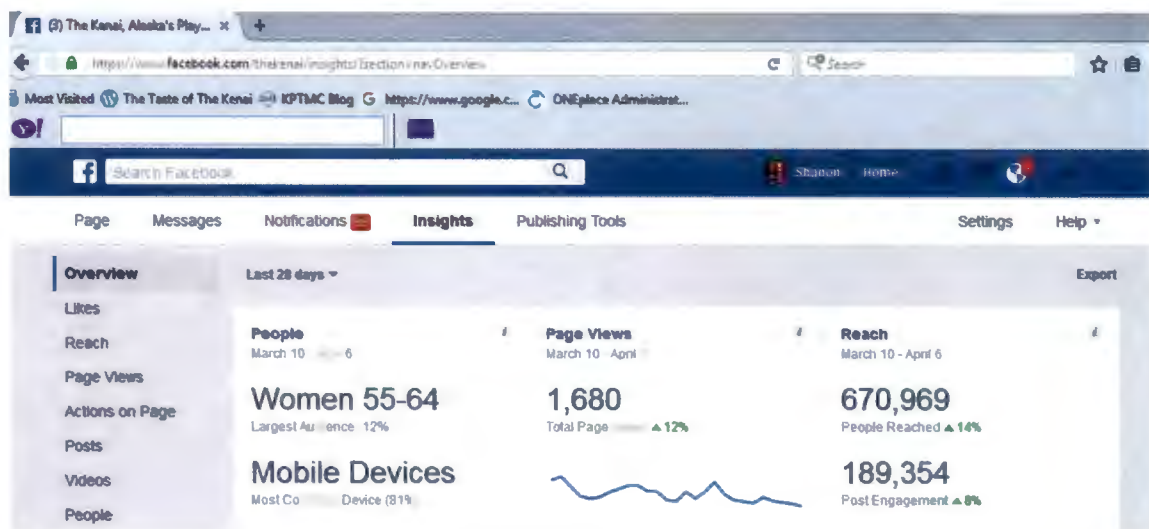
Included as a separate attachment to this report is a file with pages from the German equivalent of the Milepost. KPTMC hosted the guides travel writer, Kurt Ohlhoff, in 2014. The result of our investment was an additional 9 pages in the guide that cover our region. All new material is highlighted in the text.



Social Media:

In the last quarter "likes" on The Kenai's Facebook page have grown by 2,741 for a total of 36,868 fans. In the past month we had reach of 670,969 people and post engagement of 189,354.

In addition, we have posted 7 blogs and sent out 3 visitor newsletters to over 7,000 subscribers in the past quarter. You can check out our bi-weekly blog at: <http://thekenai.wordpress.com/>



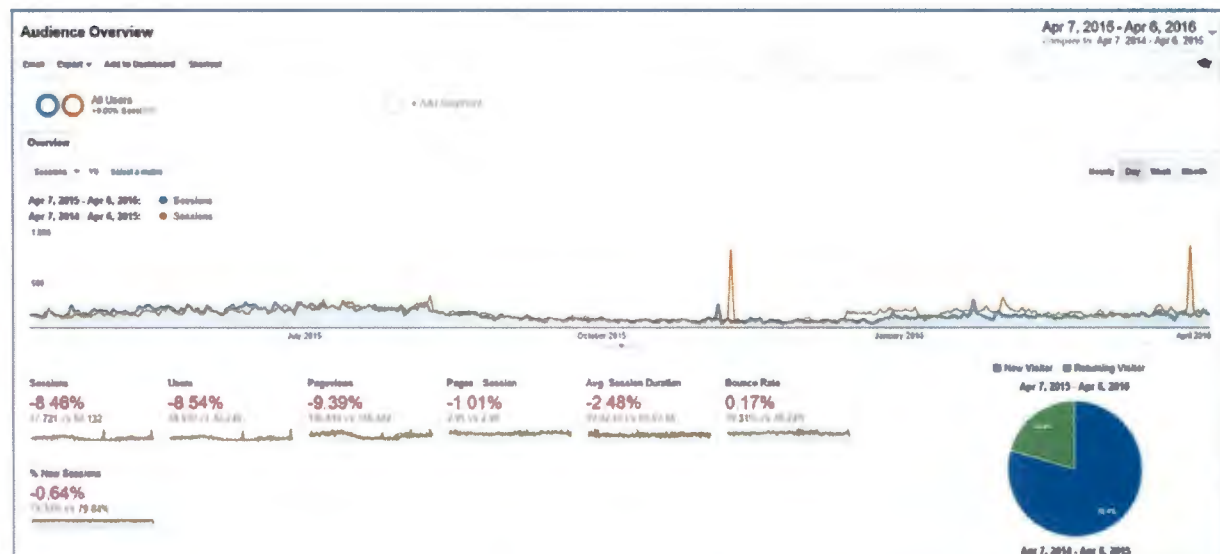
www.kenaipeninsula.org:

Since Google rolled out its “mobile-friendly” search algorithm update in April of 2015, the kenaipeninsula.org website has experienced a plateau in the organic search volume we rely heavily on for our site traffic. For several years now we have seen a trend away from desktop and towards mobile. Whereas in the past our mobile growth has kept pace with our loss in desktop, under Google’s new search parameters, that has not been the case.

Once on the website, visitor behavior has remained largely the same with almost no change in our bounce rate (49.31%), average session duration (2:50) or pages per session (2.95).

As illustrated in the line chart, the 9% decrease in sessions, users and page views is largely accounted for by the fact that we did not invest in Google AdWords Pay Per Click (PPC) advertising around the new year in 2015/2016 as we did in 2014/2015. Also, our site experienced two major anomalies that increased site visitation in 2014/2015. One day a syndicated radio program had a trivia question that involved the Kenai Peninsula, causing a rush in search engine queries that delivered our site in the search results. Also, one day the search engine Bing featured a picture of the Kenai Peninsula as the background on its homepage with a link to search results for our area.

Moving forward, we are cautiously optimistic about the measurable improvements to site traffic and online behavior brought about by the launch of the new, mobile-friendly, website in June.



Alaska Tourism Marketing Board & Alaska Travel Industry Association:

KPTMC’s Executive Director, Shanon Davis, holds a seat on the Alaska Tourism Marketing Board (ATMB), and the Alaska Travel Industry Association (ATIA). The ATMB recently met in Juneau and discussed priorities for the FY17 tourism marketing program. As there will be a large reduction in the budget for the coming year, the ATMB discussed which components will result in the most effective marketing program for businesses. Currently, the tourism marketing budget in the House is \$3.1 million and in the Senate is \$4.5 million. The ATMB has scheduled a follow-up meeting for April 18th.

Additionally, Governor Walker and the Department of Commerce, Community and Economic Development (DCCED) Commissioner, Chris Hladick separately addressed the ATMB. The Governor once again stated tourism is a bright spot in Alaska’s economy and recognized the importance of the travel industry to Alaska. The Commissioner updated the ATMB on the transition of the marketing program to The Alaska Travel Industry Association (ATIA) in FY17.

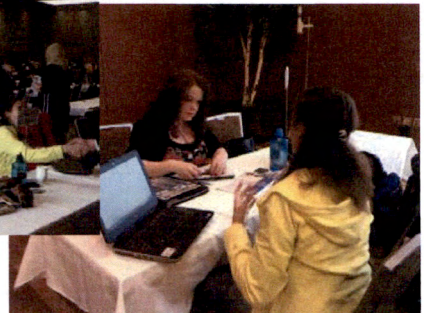
The ATIA Board of Directors also had their quarterly meeting in Juneau. Senator Pete Kelly and Representative Lance Pruitt addressed the board to discuss tourism marketing funding. The board discussed how to increase Alaska's tourism marketing budget in future years to keep Alaska competitive in the global marketplace. The board also addressed tourism policy issues such as NOAA's revised harbor seal viewing guidelines, the Smithsonian's docu-series Alaska Aircrash Investigations, marijuana regulations, comfort animals and arctic tourism development. The ATIA board of directors also voted in support of using the Permanent Fund Earnings Reserve to help stabilize Alaska's fiscal situation.

Go West Summit:

In February KPTMC partnered with Visit Anchorage for the Go West Summit. The Go West Summit introduces the world's top international tour operators to specialty suppliers offering tourism-related products or services in the American West. For the first time ever the Go West Summit was held in Alaska to present the ultimate business-to-business tourism convention experience with a side of adventure.



KPTMC hosted a Pre-Summit Familiarization tour of the Kenai Peninsula for eight tour operators from 5 different countries. We collected the operators from their hotels in Anchorage and took them on an adventure that included stops and stays in Seward, Cooper Landing, Kenai and Soldotna, Ninilchik and Homer.



Following the FAM tour the Summit continued with 3 days of education and one on one business appointments at the Dena'ina Center in Anchorage. KPTMC had 44 pre-scheduled appointments with tour operators from around the globe.

2016 KPTMC Board of Directors:

EASTERN REGION:

Danny Seavey, Seavey's Iditaride
George Heim, Alaska River Adventures

CENTRAL REGION:

Eric Dahlman, Sportsman's Warehouse
Bill Sadler, Soldotna B&B Lodge

SOUTHERN REGION:

Laurel Hiltz, Seldovia Village Tribe
Mike Warburton, The Ocean Shores

INCORPORATED COMMUNITY REPRESENTATIVES:

Cindy Clock,
Seward Chamber of
Commerce

Tami Murray,
Soldotna Chamber of
Commerce

Johna Beech,
Kenai Chamber of Commerce
and Visitor Center

Karen Zak,
Homer Chamber of
Commerce

BOROUGH WIDE REPRESENTATIVES:

Michelle Graves, Bear Mountain Lodge

Jason Young, Diamond M Ranch

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: SDavis

Date: April 14, 2016

Printed Name and Title: Shanon Davis, Executive Director



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ANCHORAGE

University of Alaska
PO Box 141628
Anchorage AK 99514-1628

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11-APR-16

Kenai Peninsula Borough

Project Title: FY16 Kenai Peninsula SBDC
Analysis of costs rendered under Award 100.94910.UAA#1.43011
in the amount of \$105,000.00 from 01-JAN-2016 to 31-MAR-2016

Voucher No: 3

	Previous Bill Amount	Current Amount Due	Cumulative Bill Amount
Salaries	\$21,600.09	\$9,547.15	\$31,147.24
Staff Benefits	\$9,322.32	\$4,114.46	\$13,436.78
Domestic Travel	\$335.76	\$725.55	\$1,061.31
Services	\$649.00	\$894.26	\$1,543.26
Commodities	\$0.00	\$105.00	\$105.00
F & A Costs	\$3,190.69	\$1,538.65	\$4,729.34
Grant Total	\$35,097.86	\$16,925.07	\$52,022.93

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the award.

CERTIFIED CORRECT

Tana Myrsto
Director, Sponsored Programs

CC: G00010267
Federal Tax ID: 92-6000147

Please attach a copy of this invoice with your remittance.

For questions about this invoice, please contact Elizabeth Dickinson (esdickinson@uaa.alaska.edu / 907-786-1777).

If this is a negative bill, the credit will be applied to your next invoice.



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ANCHORAGE

11-APR-16

Kenai Peninsula Borough

Voucher No: 3

Grant Code: G00010267

Fund Code 243452 Title FY16 Kenai Peninsula SBDC

Account Code Title

Transaction Amt

1251	APT	\$4,374.61
1401	Classified (Non-exempt)	\$3,519.20
1641	Student Wages - Subject to FICA	\$0.00
1811	Annual Leave Charge	\$775.83
1831	Sick Leave Charge	\$403.67
1841	Holiday/ Other Leave-Charge	\$473.84
1970	Staff Benefits Expense	\$4,114.46
2506	TEM - Local/mileage	\$725.55
3510	Recruit & Procure Advert	\$568.36
3520	Program Regd Advertising	\$125.90
3663	Civic or Community Dues/Memberships	\$200.00
4221	Printed Subscriptions	\$105.00
7811	Indirect Costs	\$1,538.65
Total		\$16,925.07
Retainage		\$0.00
Fund Total		\$16,925.07
Grant Total		\$16,925.07

Please attach a copy of this invoice with your remittance.

For questions about this invoice, please contact Elizabeth Dickinson (esdickinson@uaa.alaska.edu / 907-786-1777).

If this is a negative bill, the credit will be applied to your next invoice.



Alaska Small Business Development Center

SBDC UNIVERSITY of ALASKA ANCHORAGE

April 1, 2016

Mayor Mike Navarre
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK. 99669

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APR 07 2016

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Dear Mayor Navarre:

I'm pleased to offer the attached SBDC report for your review. Third quarter results are as follows:

- Total # of clients counseled: 101
- New clients counseled: 42
- New businesses: 9
- Jobs created: 30
- Capital infusion: \$1,017,000

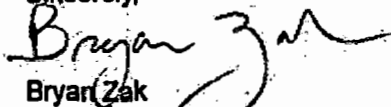
The third quarter just completed shows our highest increase in results for both total clients counseled and jobs created. Jobs created showed a 329% increase over the previous quarter and is attributed to a huge increase in jobs for one client. Clients counseled was up 64% over last quarter. We are also seeing a trend for third quarter results over the three third quarter results for 2014, 2015 and now 2016. We attribute these higher achievements to a focus on marketing and internet tools as well as a shift away from administrative assistants to more business advisors.

The SBDC received feedback on its application for the Washington State Quality Award (WSQA) and we are taking this feedback and using it as our cornerstone moving forward to our America's SBDC accreditation visit that will happen in June or July of 2017 that was due on December 1st. As a result our application will be examined by a team of examiners and judges that will provide a feedback report letting us know what we are doing well and what areas they would suggest for improvement. The SBDC undertakes our Baldrige journey to provide the best service possible to our clients through processes that are continuously refined.

The SBDC lost one of our longest serving team members; Bunny Kishaba chose to retire in February after serving the SBDC for thirteen years as an administrative assistant. Bunny, was passionate about service to SBDC clients and our communities and she continues to advocate for both. As the Kenai Peninsula client requests have steadily increased, the SBDC is filling the position that Bunny left vacant with taking advantage of Bunny's retirement, to hire an additional Business Advisor. r as opposed to hiring a new administrative assistant. We have found this to work best in other parts of Alaska, which we serve and we know this will greatly be a great increase to our service capacity s provided on the Kenai Peninsula, while only incurring a slight increase in our costs to provide services.

Thank you for the allowing us to continue to partner with the Kenai Peninsula Borough as we serve the business owners throughout the Kenai Peninsula.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Zak", with a stylized flourish at the end.

Bryan Zak
Assistant State Director / Alaska SBDC - South West Region
43335 Kalifornsky Beach Road, Suite 12
Soldotna, AK 99669



**Alaska Small Business
Development Center**
SBDC UNIVERSITY of ALASKA ANCHORAGE

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APR 07 2016

RECEIVED

**Alaska Small Business Development Center - Southwest Region
43335 Kalifornsky Beach Rd., Suite 12
Soldotna, AK 99669
(907)260-5629**

**Third Quarter Report
FY2016
January 1, 2016 through March 31, 2016**

**Presented to:
Kenai Peninsula Borough
Mayor Mike Navarre
144 North Binkley Street
Soldotna, AK 99669**

April 1, 2016

The strategic focus of the Alaska Small Business Development Center Southwest Region (SBDC) is on existing businesses that are looking to grow. Over the past year the Alaska SBDC developed a tool called Kimlan (www.kimlanak.com) that is organized around our business planning outline. The tool provides links to resources, videos and tools for each step of the creation of a business plan. This new tool, as well as our plan to hire an additional Business Advisor to serve the client demand, are very exciting developments.

Our mission is to spark the amazing in Alaska - one idea, one business, one community at a time. The hallmark to our services is the free, one-on-one, confidential advising to meet each client's needs. An advising session may cover a myriad of topics related to business, including business plan development and review, business projections, cash flow analysis, marketing, bookkeeping, loan packaging, licensing and permitting, to name a few.

The SBDC also provides entrepreneurs access to business libraries at AVTEC in Seward, and at the SBDC offices in Soldotna and Homer. Additionally, computers with internet connections are available for conducting research, and business training is provided through no- and low-cost seminars, workshops, and webinars. The Offices in Soldotna, Homer, and Seward offer further assistance through SBDC's partner program PTAC, which provides assistance with state, federal and local government procurement opportunities. Other available resources include a set of business tools at www.aksbdc.org, access to market research, and a statewide network of knowledgeable staff.

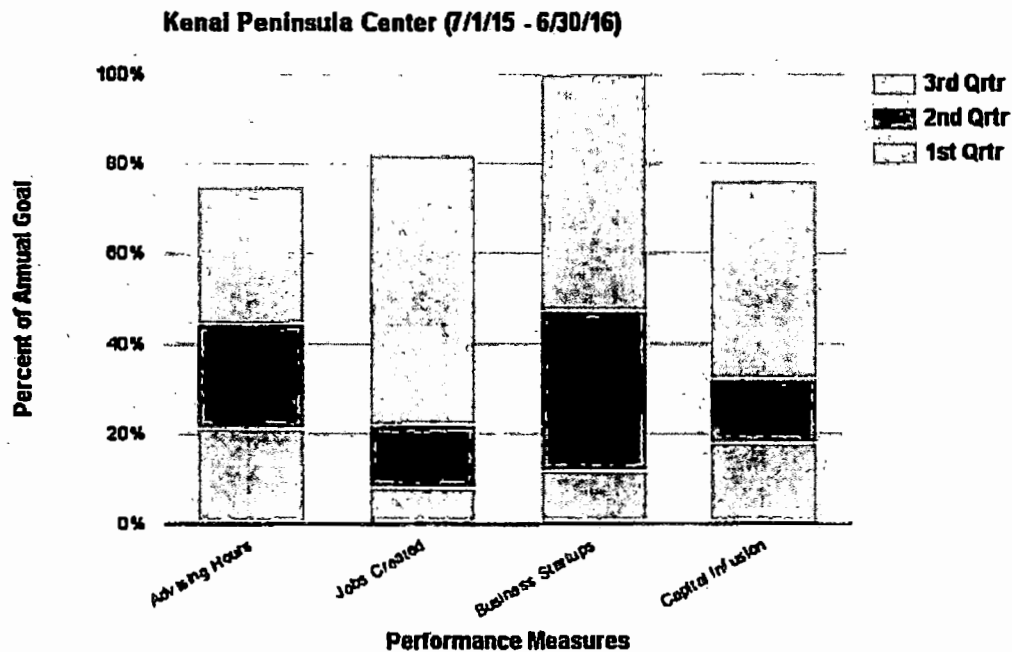
During the third quarter, the SBDC received feedback on its application for the Washington State Quality Award (WSQA) and we are taking this feedback and using it as our cornerstone moving forward to our America's SBDC accreditation visit that will happen in 2017. The SBDC undertakes our Baldrige journey to provide the best service possible to our clients through processes that are continuously refined.

The SBDC lost one of our longest serving team members; Bunny Kishaba chose to retire in February after serving the SBDC for thirteen years as an administrative assistant. Bunny, was passionate about service to SBDC clients and our communities and she continues to advocate for both. As the Kenai Peninsula client requests have steadily increased, the SBDC is filling the position that Bunny left vacant with an additional Business Advisor. We have found this to work best in other parts of Alaska, and we know this will greatly increase our service capacity on the Kenai Peninsula, while only incurring a slight increase in our costs to provide services.

The regional results reported below represent the SBDC's Key Performance Indicators (KPI's) which are each tied to our Key Performance Measures. In this third quarter of FY 16, we are realizing that our measures are showing a trend setting a pace exceeding our 2016 goals.. The third quarter just completed shows our highest increase in results for both total clients counseled and jobs created. Jobs created showed a 329% increase over the previous quarter and is attributed to a huge increase in jobs for one client. Clients counseled was up 64% over last quarter. We are also seeing a trend for third quarter results over the three third quarter results for 2014, 2015 and now 2016. We attribute these higher achievements to a focus on marketing and internet tools as well as a shift away from administrative assistants to more business advisors.

Performance Indicators and Progress To-Date

The SBDC performance measures for FY16 (7/01/2015 through 6/30/16) are listed below with progress for the year-to-date (YTD).



Number of Clients advised Current Quarter: 101
YTD: 180 unique clients

During the third quarter, 101 clients received advising assistance. This represents 231.58 hours spent with clients in the quarter. Of clients that are currently in business, 41% are women-owned businesses, 40% are male-owned and 19% have two or more owners.

Our free, confidential advising is offered to all individuals seeking assistance. Due to the volume of requests for advising, the SBDC has segmented its clients into the following stages within the business lifecycle: Think, Launch, Grow, Reinvent and Exit. By understanding the stage of a client's business, both the client and the advisor work more efficiently and produce results more effectively.

In order to be considered a reportable advising session the client's initial advising session must be no less than one hour with the business advisor. Follow-up advising sessions can be any length of time. Although the Business Advisor offers information and advice to clients on an ongoing regular basis via telephone, email or in person, only the reportable sessions are listed.

Jobs Created
Current Quarter: 30
YTD: 41

During the third quarter, clients reported the creation of 30 new jobs within the educational, manufacturer/producer, real estate, and service sectors.

Business Starts
Current Quarter: 9
YTD: 17

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 third quarter, clients reported the creation of 9 new business starts in the educational, manufacturer/producer, real estate, and service sectors.

Capital Infusion
Current Quarter: \$1,017,000
YTD: \$1,759,805

The SBDC tracks the amount of money infused into the region in the form of business loans and investments. Capital infusion includes all loans, lines of credit, and owner-investments (non-debt financing) which clients have contributed to their business.

This quarter, clients reported \$1,017,000 in capital infusion, to include the following:

SBA Loans: \$0
Non-SBA: \$913,000
Non-Debt Financing: \$104,000

Training Events & Attendees
YTD Events: 17
YTD Attendees: 74

Training events, in the form of workshops and classes, are available through the SBDC office. These trainings may be provided by the business advisor or other professionals. Many of our workshops remain offered through the AKSBDC office in Anchorage via webinar, are available to anyone with a computer, internet connection, and a phone line.

We anticipate many new improvements over the next fiscal year for workshops as we begin to move forward with offering all of our core workshops via the web. It is our pleasure to keep you posted on new developments and technology that will better assist business start-ups and growth.

We appreciate your ongoing support of small businesses on the Kenai Peninsula.

I certify that to the best of my knowledge, the information contained herein is accurate and reflects the activities executed by the SBDC during the Third Quarter FY16.


Bryan Zak

April 1, 2016