



Kenai Peninsula Borough

144 North Binkley Street
Soldotna, AK 99669

Meeting Minutes - Draft

Assembly

Blaine Gilman, President

Brent Johnson, Vice President

Dale Bagley

Kelly Cooper

Willy Dunne

Brandii Holmdahl

Gary Knopp

Wayne Ogle

Stan Welles

Tuesday, June 21, 2016

6:00 PM

Assembly Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

The invocation was given by Pastor Francisco from the Soldotna Bible Chapel.

ROLL CALL

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

Excused: 1 - Stan Welles

Also present were:

Colette Thompson, Borough Attorney

Johni Blankenship, Borough Clerk

Michele Turner, Deputy Borough Clerk

COMMITTEE REPORTS

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

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Johnson moved to approve the agenda and consent agenda.

Cooper moved to suspend the rules and address Agenda Item O.1.a Resolution 2016-029 prior to M.1 Ordinance 2015-19-31 and address Agenda Item O.1.b. Resolution 2016-032 prior to Agenda Item M.2 Ordinance 2015-19-32.

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

Excused: 1 - Welles

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-779](#) June 7, 2016 Regular Assembly Meeting Minutes
approved.

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

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

[Clerk's Note: The final Whereas clause was amended to read: "Whereas, the Central Kenai Peninsula Service Area Board, at its meeting of June 13, 2016 recommended approval."]

This Budget Ordinance was enacted as amended.

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

This Budget Ordinance was enacted.

New Business

[2016-036](#) A Resolution Authorizing the Borough to Enter Into a One-Year Lease Agreement with Four One-Year Renewal Options with SeaView Community Services for the Occupancy of the Borough's Annex Office in Seward (Mayor)

This Resolution was adopted.

[2016-037](#) A Resolution Authorizing the Borough to Enter Into a One-Year Lease

Agreement with Four One-Year Renewal Options with SeaView Community Services for the Occupancy of the Seward Bear Creek Flood Service Area in Seward (Mayor)

This Resolution was adopted.

[2016-038](#)

A Resolution Accepting Medical Equipment from the Southern Region Emergency Medical Services Council, Inc. on Behalf of Anchor Point Fire & Emergency Medical Service Area (Mayor)

This Resolution was adopted.

[2016-039](#)

A Resolution Accepting Medical Equipment from the Southern Region Emergency Medical Services Council, Inc. on Behalf of Kachemak Emergency Service Area (Mayor)

This Resolution was adopted.

[2016-040](#)

LAYDOWN A Resolution Supporting the Homer Cycling Club's Proposal to the Rivers, Trails And Conservation Assistance Program to Secure Funding for Trail Improvements at the Diamond Creek State Recreation Site (Dunne, Mayor)

This Resolution was adopted.

[2015-19-35](#)

An Ordinance Appropriating \$3,050,000 in Revenue Bond Proceeds and Reimbursing the Central Peninsula Hospital Plant Replacement and Expansion Funds for the Purchase of Equipment at the Specialty Clinic Building as Authorized by Ordinance 2015-19-09 (Mayor)

This Budget Ordinance was introduced and set for public hearing.

[2016-19-01](#)

An Ordinance Accepting and Appropriating Grant Funds Totaling \$19,366 from the Alaska Department of Natural Resources for the Volunteer Fire Assistance Program on Behalf of Anchor Point Fire & Emergency Medical Service Area and Bear Creek Fire Service Area (Mayor)

This Budget Ordinance was introduced and set for public hearing.

[2016-25](#) An Ordinance Amending KPB 2.40.010 to Reduce Planning Commission Membership (Johnson)

This Ordinance was introduced and set for public hearing.

[2016-27](#) An Ordinance Amending KPB 2.56.040 to Incorporate the Soldotna Streets Inventory and Management Plan, the Soldotna Utility Master Plan, the City of Soldotna Downtown Improvement Plan, the Soldotna Safe Routes to School Plan, and the Soldotna Recreation & Trails Master Plan as Elements of the Official Comprehensive Plan for that Portion of the Borough within the Boundaries of the City of Soldotna (Bagley, Mayor)

This Ordinance was introduced and set for public hearing.

[KPB-759](#) Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility License Application Filed by Alaska Bud Brothers Aerogardens, LLC, Kasilof, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

[KPB-760](#) Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility License Application Filed by Budding Alaska, LLC

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditiona.

[KPB-761](#) Approving the Issuance of a Letter of Non-Objection to the Alcohol

Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility License Application Filed by Croy's Enterprises, LLC, Soldotna, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions

[KPB-762](#)

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Standard Marijuana Cultivation Facility License Application Filed by Greatland Ganja, LLC, Kasilof, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

[KPB-763](#)

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility License Application Filed by Green Rush Gardens, LLC, Sterling, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

[KPB-764](#)

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility License Application Filed by Peace Frog Botanicals, LLC, Kenai AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site

plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

KPB-765

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility License Application Filed by Permafrost Distributors, Nikiski, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

KPB-766

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility License Application Filed by Stoney Creek Growers, LLC, Seward, AK

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

KPB-767

Approving the Issuance of a Letter of Non-Objection to the Alcohol Marijuana Control Board Regarding the New Limited Marijuana Cultivation Facility License Application Filed by Talisman Farms, Homer,

[Clerk's Note: The license was approved with the following conditions: 1.) The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough; 2.) There shall be no parking in borough rights-of-way generated by the marijuana establishment; and 3.) The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligation consistent with KPB 7.30.020(A).]

approved with conditions.

Approval of the Agenda and Consent Agenda as amended

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

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

Excused: 1 - Welles

COMMENDING RESOLUTIONS AND PROCLAMATIONS

None.

PRESENTATIONS WITH PRIOR NOTICE

[KPB-778](#) “Healing Hearts and Paw Program”, Ellen Adlam (10 minutes)

[Clerk's Note: Ellen Adlam gave a 10 minute presentation to the assembly regarding the Healing Hearts and Paw program.]

This Presentations with Prior Notice was presented.

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Gilman called for public comments.

Dollynda Phelps, Soldotna addressed the assembly and recited a pledge from the local marijuana businesses.

Joyce Cox, Soldotna addressed the assembly regarding property tax exemptions.

The following people addressed the assembly regarding the Blue Crest Energy Project and oil extraction methods:

Mary McCarthy, Soldotna

Mary Jo Metler, Soldotna

George Pierce, Kasilof

Having reached the 20 minute aggregate, President Gilman closed the public comment period.

MAYOR'S REPORT

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

- a. [KPB-768](#) Authorization to Award Contract ITB16-038 2016 CIP Walter Thomas Road Project No. S5WAL to Anchor Trucking, Anchor Point, AK
- b. [KPB-769](#) Authorizing Award of Road Service Area Maintenance Contracts for Central Region, Unit 3, West Region, Unit 3, and East Region, Unit 3, to the following:
- Central Region, Unit 3 Alaska Scrap & Recycling, LLC
West Region, Unit 3 Best Transit Mix, Inc.
East Region, Unit 3 Metco, Inc.
- c. [KPB-770](#) Authorizing Award of Road Service Area Maintenance Contracts for East Region, Units 1 & 4, to the following:
- East Region, Unit 1 AG & Building Supply
East Region, Unit 4 Peninsula Excavating
- d. [KPB-771](#) Sole Source for the purchase of Hydroflow water conditioning devices from Hydroflow of Alaska
- e. [KPB-772](#) Authorization to Award Contract for ITB16-039 Moose Pass Water System to Peninsula Plumbing, Soldotna, AK
3. Other
- a. [KPB-773](#) Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015
- b. [KPB-774](#) Certification of the 2016 Main Roll Assessment
- c. [KPB-775](#) Grant Award and Department Match Confirmation
- d. [KPB-776](#) Revenue – Expenditure Report – May 2016
- e. [KPB-777](#) Budget Revisions – May 2016

ITEMS NOT COMPLETED FROM PRIOR AGENDA

None.

PUBLIC HEARINGS ON ORDINANCES

- [2016-029](#) A Resolution To Form the Eddy Hill Drive Road Improvement Assessment District and Proceed with the Improvement (Mayor)

Cooper moved to adopt Resolution 2016-029.

President Gilman called for public comments with none being offered.

Cooper moved that this Resolution be tabled. The motion to table carried by the following vote:

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

[2015-19-31](#) An Ordinance Appropriating \$637,988.40 to the Special Assessment Fund for the Eddy Hill Drive Road Improvement Assessment District (Mayor)

Cooper moved to enact Ordinance 2015-19-31.

President Gilman called for public comments with none being offered.

Cooper moved that this Budget Ordinance be tabled. The motion to table carried by the following vote:

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

[2016-032](#) A Resolution To Form the Funny River East Utility Special Assessment District and Proceed with the Improvement of a Natural Gas Main Line (Mayor)

Cooper moved to adopt Resolution 2016-032.

President Gilman called for public comments.

The following people spoke in support of Resolution 2016-032:

George Seanor, Funny River

Barbara Bonk, Funny River

John Todd, Anchorage

Alan Humphries, Soldotna

Marilyn Pitts, Funny River

George Pierce, Kasilof

The following people spoke in opposition to Resolution 2016-032:

Joseph Laba, Funny River

Edman Pulson, Anchorage

Joe Ward, Anchorage

John King, Funny River

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

The motion to adopt carried by the following vote:

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

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

Cooper moved to enact Ordinance 2015-19-32.

President Gilman called for public comments with none being offered.

The motion to enact carried by the following vote:

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

[2016-16](#) An Ordinance Amending KPB 5.18.200(A)(16) and 5.18.430 by Increasing the Maximum Amount of a Sale Subject to Borough Sales Tax to \$1,000, Subject to Voter Approval, with an Adjustment for Inflation Every Fifth Year; and, if Voters Approve Increasing the Maximum Taxable Amount to \$1,000, Exempting Residential Rentals From Sales Tax (Mayor)

Cooper moved to enact Ordinance 2016-16.

President Gilman called for public comments.

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

Debbie Cary, Ninilchik

Pracila Mont, Echo Lake Road

Alan Humphries, Soldotan

Daniel Lynch, Soldotna

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

Fred Sturman, Soldotna

George Pierce, Kasilof

Joan Core, Poppy Ridge

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

Holmdahl moved to amend Ordinance 2016-16 as follows:

Amend the title to read; "AN ORDINANCE AMENDING KPB 5.18.200(A)(16) AND 5.18.430 BY INCREASING THE MAXIMUM AMOUNT OF A SALE SUBJECT TO THE BOROUGH SALES TAX TO \$1,000 SUBJECT TO VOTER APPROVAL [WITH AN ADJUSTMENT FOR INFLATION EVERY FIFTH YEAR;], AND IF VOTERS APPROVE INCREASING THE MAXIMUM TAXABLE AMOUNT TO \$1,000, EXEMPTING RESIDENTIAL RENTALS FROM SALES TAX"; and

Amend KPB 5.18.430(A) in Section 2 to read; "The sales tax referred to in KPB 5.18.100 shall be applied only to the first \$1,000.00[500.00] of each separate sale, rent or service transaction, except as otherwise provided in this section. [ON JANUARY 1 OF EVERY FIFTH YEAR, BEGINNING JANUARY 1, 2022, THIS MAXIMUM TAXABLE AMOUNT SHALL BE ADJUSTED BASED ON THE CHANGE IN INFLATION AS CALCULATED IN THE YEAR IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THE ADJUSTMENT AND BASED ON THE PRECEDING FIVE YEARS AS MEASURED BY ALASKA DEPARTMENT OF LABOR ANCHORAGE CONSUMER PRICE INDEX, ROUNDED DOWN TO THE NEAREST \$10, SUBJECT TO ASSEMBLY APPROVAL AMENDING THIS SECTION TO REFLECT THE ADJUSTED AMOUNT. FOR PURPOSES OF CALCULATING THE FIVE-YEAR INFLATION ADJUSTMENT TO THE MAXIMUM TAXABLE AMOUNT, THE BOROUGH FINANCE DIRECTOR SHALL CALCULATE THE ADJUSTMENT BASED ON THE PERCENTAGE CHANGE IN INFLATION FOR THE FIVE-YEAR PERIOD USED IN THE CALCULATION.]

..."; and

Amend KPB 5.18.430(F) in Section 2 to read; "[EXCEPT FOR INFLATION ADJUSTMENTS TO THE MAXIMUM TAXABLE AMOUNT], A[a]ny increase to the maximum sales tax described in subsection (A), above, shall not take effect until ratified by a simple majority of voters at a regular borough election."; and

Amend Section 3 to read as follows; "That a ballot proposition shall be placed before borough voters at the next regular election to read as follows:

PROPOSITION No. _____

Shall the provisions in Section 2 of Ordinance 2016-16, increasing the maximum amount of a sale subject to the borough sales tax from \$500 to \$1,000 [WITH AN ADJUSTMENT FOR INFLATION EVERY FIVE YEARS] be ratified?

YES ____ A "yes" vote means that the maximum amount of a sale subject to the borough sales tax will be increased \$1,000 [AND THEN ADJUSTED FOR INFLATION EVERY FIVE YEARS]. If the majority vote "yes", a secondary

result or byproduct of that vote would be that monthly rental amounts for residential dwelling units used as a premanent place of abode will be exempt from borough sales tax.

NO ____ A "no" vote means that the maximum amount of a sale subject to the borough seales tax will remain at a maximum of \$500. If the marjoirty vote "no," a secondary result or byproduct of that vote would be that borough sales tax will continue to be charged on rental amounts for residential dwelling units used as a permanent place of abode."

Assembly Member Ogle spoke in support of the Holmdahl amendment.

The motion to amend carried by the following vote:

Yes: 5 - Bagley, Dunne, Holmdahl, Knopp, and Ogle

No: 3 - Cooper, Gilman, and Johnson

Assembly Member Knopp spoke in support of Ordinance 2016-16 as amended.

The motion to enact as amended carried by the following vote:

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

No: 1 - Cooper

2016-17

An Ordinance Approving a Policy Supporting the Standardization of Manufacturers' Brands of Fire Apparatus and Ambulances for the Nikiski Fire Service Area and Central Emergency Service Area, and Amending KPB 5.28.280(B) to Allow for Purchases Without Competition when in Accordance with Standardization Policies Approved by the Assembly (Mayor)

Cooper moved to enact Ordinance 2016-17.

President Gilman called for public comments with none being offered.

The motion to enact carried by the following vote:

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

2016-20

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

Cooper moved to enact Ordinance 2016-20.

President Gilman called for public comments.

Daniel Zatz, Homer spoke in support of Ordinance 2016-20.

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

Cooper moved to amend Ordinance 2016-17 as follows:

Amend the title to read, "AN ORDINANCE ACCEPTING A TRANSFER OF LIMITED RECREATIONAL POWERS FROM THE CITY OF HOMER AND AUTHORIZING A NEGOTIATED LEASE AT LESS THAN FAIR MARKET VALUE WITH SAH SOCCER, INC. dba SOCCER ASSOCIATION OF HOMER OF APPROXIMATELY 3.5 ACRES OF BOROUGH LAND ADJACENT TO THE HOMER MIDDLE SCHOOL FOR THE DEVELOPMENT, MANAGEMENT AND MAINTENANCE OF A YEAR-ROUND INDOOR FIELD AKA "SOUTH PENINSULA ATHLETIC AND RECREATION CENTER""; and

Amend the second Whereas clause to read, "WHEREAS, the City of Homer commissioned the 2015 Parks, Art, Recreation and Culture (PARC) Needs Assessment which identified as the most significant priority space needs for year-round indoor recreational activities, including those within the scope of the SPARC indoor field; and" and

Add the following four new Whereas clauses before the last three Whereas clauses to read, "WHEREAS, the Kenai Peninsula Borough comprehensive plan Goal 4.10 Objective 1 is to encourage coordination between the borough and cities which provide recreational facilities; and

WHEREAS, the City of Homer has recreational powers and the Kenai Peninsula Borough does not have recreational powers within the City of Homer; and

WHEREAS, AS 29.25.010(7) and AS 29.35.310 provides that a city may transfer a power to a second class borough by ordinance; and

WHEREAS, the indoor recreational facility would be located within the South Kenai Peninsula Hospital Service Area which has wellness program powers; and"; and

Amend the second to last Whereas clause to read; "WHEREAS, the Kenai Peninsula Borough Board of Education at its regularly scheduled meeting of June 6, 2016 recommended the lease to SAH Soccer, Inc. for the development of an indoor soccer facility; and" and;

Amend Section 1 by adding the following finding; "The City of Homer has

recreational powers and a vision for indoor recreational facilities while the borough does not have recreational powers within the city limits of Homer but has a land management division that routinely manages leases for a variety of functions." and

Amend Paragraph 3.A of the findings of facts in Section 3 to read; ". The use of the subject land for indoor field purposes will benefit the public health and welfare by providing indoor recreational facilities and is consistent with prior field uses."; and

Add a new Section 8 to read; "That the Assembly hereby accepts from the City of Homer a transfer of limited recreational powers for the sole purpose of entering the lease which is the subject of this ordinance for the management, development, and maintenance of an indoor recreational facility. The borough shall exercise all powers and functions necessarily or fairly implied in or incident to the lease of the subject land for the management, development, and maintenance of an indoor recreational facility."; and

Renumber the current Section 8 to Section 9 and amend to read; "That this ordinance shall take effect immediately upon [ITS ENACTMENT.] the adoption of an ordinance by the City of Homer transferring the power specified in Section 8 of this ordinance using significantly the same language to transfer the power as set forth in Section 8."; and

Amend the final Whereas clause to read; "the KPB Planning Commission at its regularly scheduled meeting of June 13, 2016 recommended approval by unanimous consent;"

The motion to amend carried by the following vote:

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

The motion to enact as amended carried by the following vote:

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

2016-24

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

Knopp moved to enact Ordinance 2016-24.

President Gilman called for public comments.

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

Debbie Cary, Ninilchik
Alan Humphries, Soldotna
Terrie Wilson, Kenai
Pracila Mod, Echo Lake Road
Linda Sik, Clam Gulch
Joan Core, Poppy Ridge
Fred Sturman, Soldotna
Alan Weeks, Soldotna
George Pierce, Kasilof

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

Bagley moved to amend Ordinance 2016-24.

Amend Section 2 to read; "That a ballot proposition shall be placed before borough voters at the next regular election to read as follows:

PROPOSITION No. _____

Shall Ordinance 2016-24, amending KPB 5.12.105 to allow for a phase-out and eventual elimination of the optional senior citizen property tax exemption of \$150,000 for new applicants by the year 2024, be ratified? This ordinance would not change the senior exemption currently being received by eligible senior citizens provided they remain eligible.

YES ____ A "yes" vote means that the optional senior exemption of \$150,000 will be eliminated for any applicant who turns 65 years of age on or after January 1, 2024, and that the amount of the exemption will be reduced in two steps for seniors who reach age 65 between January 1, 2018, and December 31, 2023.

NO ____ A "no" vote means that the amount of optional senior exemption shall not be phased out over a seven-year period and eliminate for seniors who reach age 65"

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

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

Knopp moved to amend Ordinance 2016-24 as follows:

Amend Section 2 to read, "That a ballot proposition shall be placed before borough voters at the next regular election to read as follows:

PROPOSITION No. _____

Shall Ordinance 2016-24, amending KPB 5.12.105 to allow for a phase-out and eventual elimination of the optional senior citizen property tax exemption of \$150,000 for [NEW] applicants who turn 65 years of age on or after January 1, 2024 [BY THE YEAR 2024], be ratified? This ordinance would not change the senior exemption currently being received by eligible senior citizens provided they remain eligible.

YES ____ A "yes" vote means that the optional senior exemption of \$150,000 will be eliminated for any applicant who turns 65 years of age on or after January 1, 2024, and that the amount of the exemption will be reduced in two steps for seniors who reach age 65 between January 1, 2018, and December 31, 2023.

NO ____ A "no" vote means that the amount of optional senior exemption shall not be phased out over a seven-year period and eliminate for seniors who reach age 65 on or after January 1, 2024."

The motion to amend carried by the following vote:

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

Knopp moved to postpone Ordinance 2016-24 to July 25, 2016 and the motion carried by the following vote:

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

UNFINISHED BUSINESS

None.

NEW BUSINESS

[2016-26](#) An Ordinance Amending KPB 22.40.080 and Repealing KPB 22.40.090 Which Provides for an Invocation During Assembly Meetings (Cooper, Dunne, Holmdahl)

Cooper moved to introduce Ordinance 2016-26 and set for public hearing.

President Gilman called for public comments.

The following people spoke in opposition to the introduction of Ordinance 2016-26:

Keith Hamilton, Soldotna

Alan Humphries, Soldotna

Alan Weeks, Kenai

George Pierce, Kasilof

Linda Sik, Clam Gulch
Debby Cary, Ninilchik
Fred Sturman, Soldotna
Joan Core, Poppy Ridge
Bob Thraves, Soldotna

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

Assembly Members Knopp, Ogle and Bagley spoke in opposition to the introduction of Ordinance 2016-26.

Assembly Members Cooper, Holmdahl, Dunne and Johnson spoke in support of the introduction of Ordinance 2016-26.

President Gilman passed the gavel to Vice President Johnson and spoke in opposition to the introduction of Ordinance 2016-26. Vice President Johnson returned the gavel to President Gilman.

The motion to introduce Ordinance 2016-26 and set for public hearing failed by the following vote:

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

No: 4 - Bagley, Gilman, Knopp, and Ogle

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Gilman called for public comments.

George Pierce, Kasilof thanked the assembly for not introducing Ordinance 2016-26.

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

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. June 29, 2016 Health Care Task Force 6:30 PM Assembly Chambers, Borough Administration Building
2. July 26, 2016 Regular Assembly Meeting 6:00 PM Assembly Chambers, Borough Administration Building

ASSEMBLY COMMENTS

Assembly Member Bagley congratulated Taylor Ostrander for her NCA Woman of the Year award.

Assembly Member Holmdahl stated the assembly had heard a lot of public testimony regarding cutting the budget and raising taxes, however, there was a point where cuts were no longer feasible in order to serve the people and provide a certain level of services. She stated that the borough staff and Mayor did a great job with this year's budget.

Assembly Member Knopp stated he agreed with Ms. Holmdahl's comments. He stated he was concerned about several proposals the Governor was considering and how it would impact the borough, which made it difficult for the borough to respond accordingly. He stated the ballot questions regarding code revisions to the sales tax and senior exemptions were appropriate. Mr. Knopp stated he was looking closer at the property and sales tax questions and thought a work session with the assembly was needed. He stated the Mayor did not cut or layoff positions, instead he found efficiencies in combining departments and positions, which he felt was appropriate.

Assembly Member Dunne thanked the Tsalteshi Trails and Cook Inlet Keeper sponsors of the "Mouth to Mouth" race on June 18, 2016 which was a foot and bicycle race from the mouth of the Kasilof River to the mouth of the Kenai River. Mr. Dunne also thanked everyone at the South Peninsula Athletic and Recreation Center and the Soccer Association for their collaboration with the City of Homer and the Borough on the lease agreement that was approved. He stated he was concerned that most of the testimony given regarding the invocation issue was an "us vs. them" mentality and stated we should all work together on the matter.

Assembly Member Ogle stated he was opposed to Proposition 2 and marijuana. He stated he was impressed with Ms. Phelps' pledge and work within the marijuana organizations had been conducted in a very professional manner. He stated while he doesn't approve of their industry, he respected their integrity. Mr. Ogle stated fracking was a well known oil extraction process and thought it was great that the Mayor was finding more information for the public. He thanked the Mayor's office for the Western Federal Lands efforts and appreciated their work. Mr. Ogle stated he voted in favor of the sales tax cap question on the ballot and was looking forward to the town hall meetings. He stated he supported Mr. Knopp's idea of a work session to review the proposed sales and property tax revisions.

Assembly Member Cooper appreciated everyone's testimony and stated they could agree to disagree in a respectful manner. She stated the best example of that was the nine members of the assembly.

Assembly Member Johnson appreciated hearing Ms. Holmdahl's comments. He

stated that Mike Dimmick ran the radio equipment in the back of assembly chambers and that his wife served on both the planning commission and assembly for years and she was a past president. Mr. Johnson stated it was good to see him.

INFORMATIONAL MATERIALS AND REPORTS

NOTICE OF NEXT MEETING AND ADJOURNMENT

With no further business to come before the assembly, President Gilman adjourned the meeting at 10:04 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of June 21, 2016.

Johni Blankenship, MMC, Borough Clerk

Approved by the Assembly: _____