

# South Peninsula Hospital

May 17, 2006

Mr. Rob Robson  
Director of Public Works  
Kenai Peninsula Borough  
144 N. Binkley Street  
Soldotna, Alaska 99669

Dear Rob,

On May 11, 2006 the South Peninsula Service Area Board of Directors and the Board of Directors of South Peninsula Hospital, Inc. held a joint meeting. At that meeting the boards discussed the results of the bidding for the hospital's construction project. Both boards unanimously passed motions supporting awarding the construction contract to Cornerstone Construction Company as the lowest responsive bidder on the project.

Thank you very much for your assistance with our project.

Sincerely,



Charles C. Franz  
Chief Executive Officer

Agenda Item P. 1.\*6.

Committee Finance

Page Number 118

R2006-046



RECEIVED  
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CLERK'S OFFICE

# Kenai Peninsula Borough Alaska

## Proclamation

**WHEREAS**, the annual sale of Buddy Poppies by the Veterans of Foreign Wars of the United States has been officially recognized and endorsed by governmental leaders; and

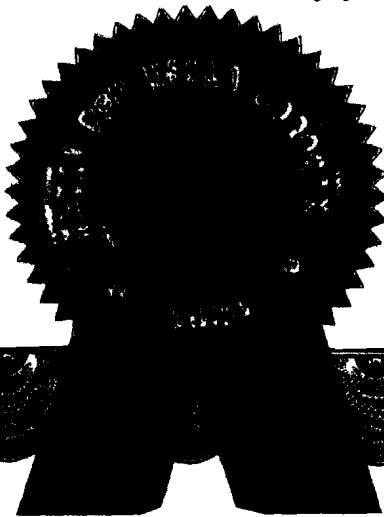
**WHEREAS**, Veterans of Foreign Wars (VFW) Buddy Poppies are assembled by disabled veterans and the proceeds of this worthy fundraising campaign are used exclusively for the benefit of disabled and needy veterans; and

**WHEREAS**, the basic purpose of the annual sale of Buddy Poppies by the Veterans of Foreign Wars is eloquently reflected in the desire to "Honor the Dead by Helping the Living".

**NOW THEREFORE**, I, John J. Williams, Mayor of the Kenai Peninsula Borough, do hereby urge the citizens of this community to recognize the merits of this community by contributing generously to its support through the purchase of Buddy Poppies and set aside the week of May 22-26, 2006, for the distribution of these symbols of appreciation for the sacrifices of our honored dead.

### *Buddy Poppy Week*

I urge all patriotic citizens to wear a Buddy Poppy as mute evidence of our gratitude to the veterans of this country who have risked their lives in defense of the freedoms, which we continue to enjoy as American citizens.



*John J. Williams*  
John J. Williams  
Kenai Peninsula Borough Mayor

## Background

The study originated when the Alaska Legislature appropriated money to ADF&G in 1994 for an economic analysis of "management alternatives for Cook Inlet salmon."

ADF&G decided, based on public interest and other factors, to focus the study on the economic effects of increasing the management target for late-run Kenai River sockeye. The current management target for late-run sockeye is 450,000 to 700,000 sockeye (as measured at the sonar counter below the Soldotna bridge). Increasing the target by 200,000 would raise the range to 650,000 to 900,000. Making such a change would require reducing the Upper Cook Inlet commercial salmon harvest, except in years of high runs. The Alaska Board of Fisheries, which regulates the fisheries, establishes the management target and decides if it will be changed.

Both the sport fishery and the commercial fishery in the Central District of Upper Cook Inlet highly value late-run Kenai River sockeye, which generally begin moving into the river in late June and peak toward the end of July. This run alone makes up about half the total commercial salmon harvest in Upper Cook Inlet. And about three-quarters of the statewide harvest of sockeye is taken from the Kenai River and its tributary, the Russian River.

Sport anglers want more sockeye; commercial fishermen want to keep what they have.

## What ISER Studied

We mainly studied the effects of increasing the Kenai River management target by 200,000 late-run sockeye. To help define a range of variation, we also looked at the effects of increasing the sonar count by just 100,000, and of decreasing the sonar count by 100,000.

Specifically, we estimated economic effects on the Kenai River sport fishery, including the Russian River (Map 1, page 5); and on the commercial fishery in the Central District of the Upper Cook Inlet management area (Map 2, page 6).

There are other potential effects of such a change—effects we were asked to recognize but not to quantify. Those include:

- Potential increased damage to riverbanks and fish habitat. Any change that attracts more anglers to the Kenai River—which already

sees 100,000 sport anglers in a season—has the potential to increase bank trampling and damage to vegetation and fish habitat.

- Potential overescapement of sockeye. Fishery managers believe that having too many spawning salmon return to a river has the potential to damage future runs, by taxing spawning and rearing areas and food supplies. Biologists haven't established an overescapement estimate for Kenai River late-run sockeye.

- Potential benefits for commercial setnetters in the Northern District of Upper Cook Inlet and Susitna River sport anglers and personal use dipnetters. Managers assume that during low Kenai River runs they would have to eliminate a regular districtwide opening in the Central

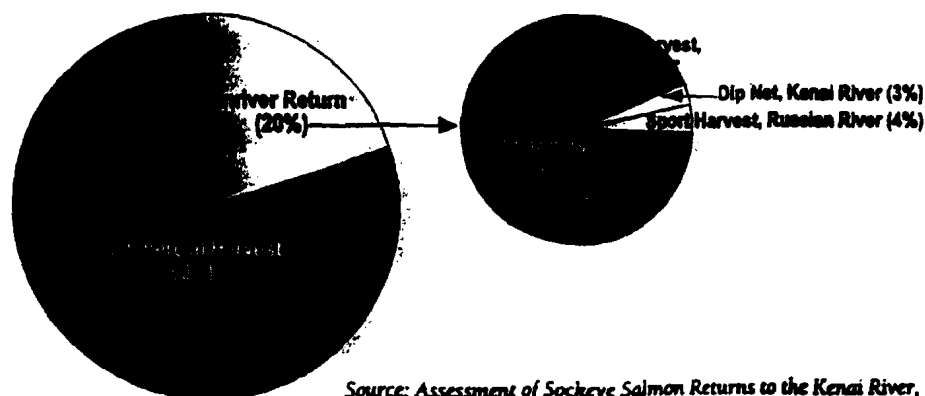
District to make sure 200,000 additional sockeye reached the Kenai River. In those circumstances, more salmon would move past the Central District drift fleet and into the Northern District, where some would be harvested. We don't have estimates of how many.

## Current Allocation

Figure 2 shows how the late run of Kenai River sockeye has been divided in the 1990s. Commercial drift and setnetters in the Central District of Upper Cook Inlet harvested about 80 percent. Of the sockeye that returned to the river, about 74 percent spawned. Sport anglers on the Kenai River mainstem took about 19 percent and anglers on the Russian River took 4 percent. Dipnetters (who harvested fish under both personal use and subsistence regulations during that period) took about 3 percent.

Since 1990, annual commercial harvests of Kenai River sockeye have varied from just over 1 million to nearly 7 million. Annual sockeye sport harvests on the Kenai and Russian rivers varied between about 120,000 and 270,000.

**Figure 2. Allocation of Kenai River Late-Run Sockeye, 1990-1994**



Source: Assessment of Sockeye Salmon Returns to the Kenai River, Doug McBride and Steve Hammarstrom, ADF&G, 1995

## Measuring Economic Effects

On the front page we defined net economic value as benefits minus costs: the gain or loss after all benefits are added and all costs are subtracted. Changes in net economic value are difficult to calculate, because this measure takes into account not only monetary costs and benefits (like the market price of fish or costs of fishing tackle) but also assigns a dollar value to intangibles (like the pleasure of fishing). On page 8 we describe how we assigned a dollar value to improved Kenai River fishing. Here we just want to point out that net economic value takes into account the substantial non-monetary value in the sport fishery.

## General Findings

To assess how changes in run sizes, prices, sport bag limits, and other conditions would affect our results, we developed 10 study scenarios. Assumptions that went into those scenarios, and our findings by scenario, are described on pages 8-12. Here we present general findings not tied to specific scenarios. We found if the Kenai River management target for late-run sockeye were increased by 200,000:

- The net increase in resident trips to all Alaska sites would be about 650, and the net increase in resident spending for fishing trips would be about \$108,000. Southcentral resident households with sport anglers would make 4,000 additional trips to Kenai River sites and spend \$550,000 more in late July. But our analysis showed that in order to make more trips to the Kenai, resident anglers would make fewer trips and spend less elsewhere in Alaska—about 3,400 fewer trips and \$450,000 less spending.

- Most of the increase in the net economic value of the sport fishery for residents is non-monetary: the value of improved sport fishing. Some is savings—because residents substitute less expensive trips to the Kenai River for more expensive fishing trips to other Alaska sites.

- Most of the loss in net economic value for the commercial fishery is monetary: reduced harvest revenue. Some is reduced job satisfaction.

- As measured by economic impacts, reducing the commercial harvest would probably cost the economy more jobs and payroll than would be created by the improved sport fishery. One reason is that the commercial fishery creates jobs and payroll in two ways—from the market value of the harvest itself, and from fishery-related spending in other industries. The sport fishery creates jobs only through fishery-related spending. Unlike commercial fishermen, sport anglers don't earn money while they're fishing—although they enjoy a great deal of non-monetary value.

- How many jobs and how much payroll an improved sport fishery would create statewide would depend mostly on how much more non-resident anglers spent. As we said earlier, Alaskans would certainly take more trips and spend more for Kenai River fishing, if the fishing were improved—but they would also take fewer trips to other Alaska sites. So most of the additional resident spending would simply be shifted from one place to another within the state. But if better fishing induced non-residents to stay longer and spend more than they otherwise would have, that spending would represent additional money in the economy.

- Non-residents visiting Alaska might extend their visits to fish more on the Kenai—and spend more in the economy. That additional spending could be anywhere from \$630,000 to \$3.3 million more in a season, generating between 13 and 70 jobs. These are rough, order-of-magnitude estimates based on survey responses of the small percentage of non-resident anglers who said they would have stayed longer in Alaska if the fishing were better. We do think this change would probably be much larger than the change in resident spending for sport fishing.

- A reduction in Cook Inlet sockeye harvests is unlikely to affect Alaska consumers much—because most Cook Inlet sockeye is sold outside the state.

- By reducing the supply of sockeye, the proposed reduction in Cook Inlet commercial sockeye harvests could increase prices paid fishermen for Cook Inlet sockeye by as much as 1 cent per pound. But we think that even such a small price increase is unlikely—because Cook Inlet sockeye make up a relatively small share of all Alaska sockeye, and because the growing supply of farmed salmon worldwide would offset the effects of a smaller Cook Inlet harvest.

Assumptions	
<b>Size of Kenai River late sockeye run</b>	
Low run:	Fewer than 2 million
Medium run:	2-5 million
High run:	More than 5 million
<b>Ex-Vessel Price (price paid fishermen for Cook Inlet sockeye)</b>	
Low price:	\$1.00/lb.
Medium price:	\$1.43/lb.
High price:	\$1.75/lb.
Definitions	
<b>Southcentral Alaska:</b> the Municipality of Anchorage, the Kenai Peninsula Borough, and the Kodiak and Susitna Borough	
<b>Kenai River system (study area):</b> all fishing on the River mainstem from the mouth at Cook Inlet to Kenai Lake and including the Russian River	

# The rest of the fish story

## UCIDAL: KRSA economic analysis contains fatal flaws

Several economic facts were selectively picked, altered or omitted concerning the commercial fishing industry as reported by Kenai River Sportfishing Association (KRSA). Following are the 2005 commercial landings and ex-vessel payments in the Kenai Peninsula Borough: salmon — 34,615,000 pounds generated over \$33 million; halibut — 16,439,721 pounds generated over \$49 million; black cod — 8,459,797 pounds generated over \$34 million; and gray cod — 2,560,000 pounds generated over \$1.5 million.

These four fisheries collectively landed 62,074,518 pounds of fish generating ex-vessel payments in excess of \$113 million in 2005. These \$113 million are spent directly into the Kenai/Alaska economic community for crew wages, fish taxes, vessel purchases, vessel repairs, gasoline, diesel, auto and truck fuels, homes, property taxes, repairs, supplies, clothing, food and transportation services.

As we spend our fishing incomes, these dollars circulate in and through our economic community about five times, growing to over \$500 million of economic activity. However, when KRSA made its economic analysis, the comparison was between all forms of sportfishing to just the ex-vessel payments of salmon (they conveniently chose to omit these other species and commercial economic activity as these ex-vessel payments circulate in an economy).

Additionally, KRSA conveniently omitted the economic activity due to over 100 vessel owners and crews that make the peninsula home, but commercially fish in Prince William Sound, Kodiak, Bristol Bay and the Aleutian Chain. These fishermen bring their cash back home to spend on the Kenai Peninsula, which brings additional tens of millions of dollars into our economic community.

The four fisheries mentioned above do not include additional fisheries such as herring, pollock, bottom fish, scallops or octopus commercial landing, which add millions to the ex-vessel payments. Most commercial fishermen are multispecies, multi-area fishermen.

### VOICES OF THE PENINSULA

ROLAND MAW

The KRSA's so called "economic report" does not cover the entire scope or breadth of commercial fishing. Rather, they selected one fishery, salmon, to compare against the entire economic scope and breadth of sportfishing.

Each year it takes over 1,200 semi trucks to carry the millions of pounds of seafood produced on the Kenai to markets. It costs about \$12,000 for a semi truck to leave the Lower 48 to come to the Kenai and return south. If the freight being hauled north (such as bananas, lettuce, carrots or fruits) has to pay the entire \$12,000 trucking costs, the freight cost per pound is 33 to 34 cents. However, if the same semi can pick up a load of fish destined for the Lower 48, the freight is cut by about half to 16 to 17 cents per pound.

The Lower 48 destined fish will cover half the \$12,000 round trip costs, or about \$6,000. Everybody wins with semis loaded both ways. These 1,200 semis each provide a \$6,000 freight subsidy (totals to over a \$7,200,000 annually) on the goods we all consume. The KRSA study conveniently omitted this and similar commercial fishing economic benefits.

The commercial gillnet fishing industry consume over 100,000 gallons of gas/diesel fuels during every opening. At \$2.50 per gallon, that equates to \$250,000 for fuels for each opening. The commercial gillnet fishermen utilize far in excess of 1 million gallons of fuels per year, and that's just on salmon. Additionally, many of these commercial fisheries provide fish eggs and egg-products that are worth millions of dollars per year. The KRSA economic analysis also conveniently omitted to consider these products. By now the rest of the fish story starts to come into focus.

Over the years, KRSA has demanded the commercial fishing industry disappear in order for them to achieve their self-interests. It should be readily apparent that KRSA doesn't want to share any fish with anyone and wants to steal the fishery resources "fish by fish." No compensation to the commercial fishing industry; just take the fishery "fish by fish."

What kind of community neighbor is KRSA anyway? The only justification KRSA has ever offered for the "fish by fish policy" is that these fish are valuable to KRSA. What an economic policy for our neighborhood, "If something is more important to me than you — I'm going to go ahead and take it!"

With this take "fish by fish" practice, KRSA has created a culture of conflict supported by conveniently misleading economic analysis and intentionally distorting the facts. The so-called economic analysis has no author identified; this leaves the public to assume that Ron Rainey and/or Ricky Gease are the authors.

KRSA, would you please identify the author of your recent economic analysis report so we can publicly debate this unnamed individual?

In building a strong and diversified economic community we need an economy that includes the medical, oil and gas, professional services, transportation, commercial fishing, education, governmental, retail and tourism sectors. KRSA is the only sector that actively promotes the demise of an economic neighbor. The commercial fishing industry and a great number of your economic neighbors want, deserve and expect better treatment.

KRSA, you have sorely tempted the commercial fishing industry, but we resisted the urge to go after you because of your poor neighbor skills. KRSA, if you want to become a full economic neighbor, then you must the truth, show respect and be a supporter of all the community economic sectors.

*Dr. Roland R. Maw is the executive director of the United Cook Inlet Drift Association (UCIDA).*

# Commercial fishers pan sport fishing economic report

By Margaret Bauman  
Alaska Journal of Commerce

An economic impact report extolling money pumped into Kenai Peninsula coffers from sport fishing is raising hackles from commercial fishermen who say their industry contributes more.

"We are an important industry that brings new money into the Alaskan and Kenai (Peninsula) economy," said Roland Maw, executive director of the United Cook Inlet Drift Association.

Salmon, halibut, black cod and gray cod commercial fisheries in 2005 collectively landed more than 62 million pounds of fish, generating payments to fishermen in excess of \$113 million, Maw said.

That \$113 million is spent directly into the Kenai and Alaska economy, for everything from crew wages and fish taxes, to homes, property taxes, clothing, food and miscellaneous costs of operating commercial fishing vessels, he said.

In addition to those four fisheries, there are others, including herring, pollock, bottom fish, scallops and octopus, also bringing millions of dollars in payments to fishermen, he said.

Maw's criticism April 28 was directed at a recent report produced by the Kenai River Sportfishing Association, which estimated that recreational fishing in upper Cook Inlet generates \$290 million (in 2003 dollars) in total

annual sales and supports 3,400 annual jobs on average that generate \$95 million in income. According to the sport fishing association report, that accounts for about 55 percent of the sales, jobs and income related to sport fishing in Southcentral Alaska.

By comparison, according to the sport fishing report, commercial fishing in upper Cook Inlet during the mid-1990s — when ex-vessel prices were higher — supported about 500 jobs a year, providing \$15 million in income.

The sport fishing association report is the extrapolation of data from a number of previous studies conducted by the Alaska Department of Fish and Game, the Alaska Department of Labor and Workforce Development, and the University of Alaska Anchorage's Institute of Social and Economic Research, among others. None of the data contained in it is new.

What is new, said Maw, is the dramatic increase in the percentage of salmon leaving Cook Inlet processing facilities as a fresh, rather than frozen, product. "In the mid 1990s, the percentage of salmon that left the inlet as fresh was about 5 to 6 percent. This year, it is about 65 percent," he said.

"We are now into a different market with these fish," he said. "We are no longer competing with all the frozen and farmed fish going to Japan. We are now into a U.S. market, into a higher quality market. It is much better for the fishermen, the processors and the community in general."

Maw said more than 100 vessel owners and their crew members also live on the Kenai Peninsula. While they fish

commercially in Prince William Sound, Kodiak, Bristol Bay and the Aleutian Chain, they bring the money they earn back home to spend on the Kenai Peninsula, pouring tens of millions of dollars into their communities, he said.

Maw calculated that it takes more than 1,200 semi-trucks annually to bring millions of pounds of seafood produced on the Kenai Peninsula to market, much of it backhauled on trucks that bring fresh produce north to Alaska. Having that fish to backhaul helps cut the cost of shipping other products to Alaska, he said.

In addition, Maw said, the commercial gillnet fishing industry consumes more than 100,000 gallons of gasoline and diesel fuels during every fishery's opening. At \$2.50 a gallon, that equates to \$250,000 spent on fuels for each opening, he said.

Maw said his own annual personal expenses for commercial fishing include about \$14,600 for diesel fuel.

The whole argument boils down to whether fish are better in the commercial fishing industry or sport industry, he said.

"We are very much supportive of mom and dad and the kids having fish on their table, whether you buy that as a commercial product or take the kids and do it as a sports activity," he said. "But there is a point where that activity starts to eat away at the foundation of our industry, and that is where we have to have a talk."

Margaret Bauman can be reached at [margie.bauman@alaskajournal.com](mailto:margie.bauman@alaskajournal.com).

## Copper River commercial harvesters fight for early-run rights

By Margaret Bauman  
Alaska Journal of Commerce

Commercial fishermen who harvest the world-renowned Copper River king and sockeye salmon have filed suit in Alaska Superior Court in hopes of retaining critical early run harvest rights.

"We do not take this lightly"

for fishermen.

Without relief from the court, the drift gillnet fleet stands to suffer losses of \$4.9 million to \$8.3 million, according to the lawsuit.

A major concern, said Mykland, who co-chairs the gillnet division of CDFU, is that the state Department of Fish and Game no longer has flexibility to manage the return

2005 commercial fishery show that kings fetched an average of \$4.67 a pound, compared to \$1.67 a pound for sockeyes.

"This is an agenda pushed forth by the commercial sport guides, who are taking more and more of the Copper River chinook salmon upriver for non-resident sport anglers," Mykland said

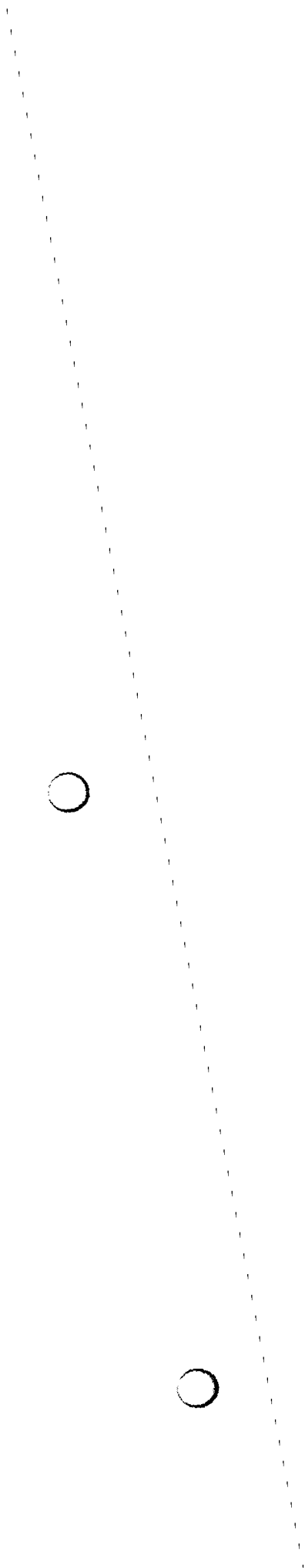
of the season, he said.

"We believe that the board considered all the issues, that the regulations are valid and they will withstand challenge," he said.

According to Daugherty, much of the demand for change came from subsistence users upriver. "There was extensive testimony before the board that upriver sub-

Tuyn and Lee Goodman.

"As an initial matter, drift gillnet fishermen stand to lose a significant portion of their yearly catch and, thus, yearly income," the lawsuit argues. "Further, the highly successful Copper River salmon branding and marketing effort could be harmed in the long run with even a one-year







# KENAI PENINSULA BOROUGH

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www.borough.kenai.ak.us

**JOHN J. WILLIAMS**  
**BOROUGH MAYOR**

**To:** Mayor John J. Williams  
**Thru:** *Z* Tim Navarre, Chief of Staff  
**Date:** May 9, 2006  
**From:** *AP* Bill Popp, Special Assistant to the Mayor  
**Subject:** UPDATE: CSSB 231 Capital Projects Within The KPB

Routed From  
Mayor's Office to:

Clerk \_\_\_\_\_  
Assembly  \_\_\_\_\_  
Legal \_\_\_\_\_  
Finance \_\_\_\_\_  
Assessing \_\_\_\_\_  
Planning \_\_\_\_\_  
Roads \_\_\_\_\_  
SBB \_\_\_\_\_  
Purchasing \_\_\_\_\_  
Other \_\_\_\_\_  
Date: 5-9-06

The following is a list of line items within the so called capital budget currently being considered by the Legislature for the Kenai Peninsula Borough, its communities and industries. This list is still subject to change in the legislative process. I have listed these appropriations by their respective State agency.

Items in bold type are newly added since the bill was passed by the Senate. Dollar amounts that are in bold type by themselves denote a change, usually an increase, in the total dollar amount appropriated for the given item.

## 1. DCCED

- Agrium U.S., Inc. (match for federal grant, Coal Gasification) \$5,000,000
- **Anchor Point Fire Service Area (ATV Brush Fire Unit)** \$ 17,000
- Central Peninsula Health Centers (new facility) \$ 325,000
- **Challenger Learning Center of Alaska (Ed. Assistance)** \$ 150,000
- Cook Inlet Aquaculture (Mat-Su Smolt studies) \$ 200,000
- Cooper Landing Senior Citizens Corp. (utility extension) \$ 30,000
- **Funny River Community Center (Planning & Const.)** \$ 100,000
- Homer Electric Assoc. (ROW beetle kill clearing) \$ 250,000
- **Homer Senior Center (land purchase for new homes)** \$ 50,000
- **Kenai Boys n Girls Club (Building improv. & furniture)** \$ 10,000
- **Kenai Little League (field improvements)** \$ 35,000
- **Kenai Peninsula Food Bank (Building maint. & storage)** \$ 15,000
- **LOVE, Inc. (Homes of Hope transitional housing design)** \$ 2,500
- **LOVE, Inc. (new facility construction)** \$ 100,000
- **Moose Pass Sportsman's Club (kitchen upgrades)** \$ 30,000
- Ninilchik Fair Assoc. (fairground renovations) \$ 75,000
- Ninilchik Senior Citizens Inc. (facility upgrades) \$ 65,000

Page Number

Agenda Item

*New*

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*Mayor's Report*

*Lay down*

▪ Seldovia Village Tribe (ferry & dock facilities)	\$1,500,000
▪ Soldotna Area Senior Citizens, Inc. (heating system)	\$ 50,000
▪ Soldotna Little League (field improvements)	\$ 38,000
▪ Sterling Area Senior Citizens Inc. (building renovations)	\$ 82,000
▪ Sterling Community Center (sterling youth equipment)	\$ 70,000
▪ Youth Restoration Corps (Resurrection Creek restror.)	\$ 25,000
▪ City of Homer (city hall)	\$ 0
▪ City of Homer (rescue systems upgrades)	\$ 28,000
▪ City of Homer (smolt stocking, fishing lagoon)	\$ 10,000
▪ City of Kachemak (zamboni for Homer Hockey Assoc.)	\$ 80,000
▪ City of Kenai (police dept. benches, lockers)	\$ 40,000
▪ City of Kenai (library book & computer replacement)	\$ 20,000
▪ City of Kenai (road, water & sewer)	\$ 322,000
▪ City of Seldovia (port economic development study)	\$ 30,000
▪ City of Seldovia (smolt stocking)	\$ 25,000
▪ City of Seward (Alutiiq Pride Shellfish Hatchery)	\$ 150,000
▪ City of Seward (senior & community center repairs)	\$ 50,000
▪ City of Seward (T-dock & bulkhead phase 2)	\$1,000,000
▪ City of Soldotna (library & computer equip. replacement)	\$ 20,000
▪ City of Soldotna (road, water, & sewer improvements)	\$ 178,000
▪ City of Soldotna (veterans memorial)	\$ 40,000
▪ KPB (Anchor Point Senior Citizens, housing study)	\$ 30,000
▪ KPB (Bear Creek Fire 2000 gallon water tanker)	\$ 75,000
▪ KPB (Diamond Ridge non-motorized vehicle safety trail)	\$ 65,000
▪ KPB (Kachemak Gun Club shooting range improv.)	\$ 20,000
▪ KPB (Keystone Drive)	\$ 325,080
▪ KPB (Lowell Point Fire Dept. building)	\$ 30,000
▪ KPB (North Pen. Rec. Nikiski Pool ozone upgrade)	\$ 100,000
▪ KPB (KPBSD equipment & supplies for schools)	\$ 105,000
▪ KPB (KPBSD KCHS bleachers)	\$ 25,000
▪ KPB (KPBSD mini projects for youth education)	\$ 300,000
▪ KPB (KPBSD Sears Elem. Roof repair)	\$ 30,000
▪ KPB (KPBSD security cameras for Nikiski High)	\$ 5,000
▪ KPB (KPBSD Soldotna Elem. drainage improvements)	\$ 45,000
2. DEC	
▪ City of Homer (Water Treatment Plant)	\$1,062,727
▪ Nanwalek (water distribution system upgrades)	\$ 340,000
3. DLWD	
▪ AVTEC (Videoconferencing project)	\$ 423,000
▪ AVTEC (deferred maintenance)	\$2,500,000
4. DNR	
▪ Anchor Point Campground (rehab for private operations #2)	\$ 200,000
5. DOT	

▪ AK Marine Hwy, Homer (multi-purpose ocean dock mods)	<b>\$ 250,000</b>
<b>6. DOT (Congressional Earmarks)</b>	
▪ City of Homer (deep water dock)	\$1,700,000
▪ KPB (road improvements)	\$2,125,000
▪ City of Kenai (road improvements)	\$ 850,000
▪ City of Seward (Ferry-infrastructure @ marine center)	\$2,550,000
▪ Williamsport to Pile Bay Road	\$5,950,000
▪ City of Soldotna (Keystone Road)	\$3,400,000
<b>7. DOT (Transportation Initiative)</b>	
▪ K-Beach Road Rehabilitation	\$4,000,000
▪ Kenai Spur Road Rehabilitation	\$4,000,000
▪ Seward Hwy (Windy Corner Passing Lanes)	\$12,000,000
<b>8. University of Alaska</b>	
▪ KPC (Kachemak Bay bond payments & debt reimburs.)	\$ 165,000
▪ KPC (ADA code compliance upgrades)	\$ 100,000
<b>9. DCCED (part 2)</b>	
▪ City of Homer (Homer City hall)	\$2,000,000
▪ City of Seward (T-dock & bulkhead phase 2)	\$1,200,000
▪ KPB (area-wide road upgrades)	\$1,800,000
<b>10. DOT (part 2)</b>	
▪ Wik Road improvements	\$2,000,000
<b>11. "Energy Assistance &amp; Retirement System Funding..."</b>	
▪ PERS	
1. City of Homer	\$ 248,456
2. Kachemak City	\$ 1,193
3. Kenai Peninsula Borough	\$ 702,515
4. City of Kenai	\$ 235,223
5. City of Seldovia	\$ 2,405
6. City of Seward	\$ 186,026
7. City of Soldotna	\$ 136,756
▪ Energy Assistance	
1. City of Homer	\$ 213,701
2. Kachemak City	\$ 38,807
3. Kenai Peninsula Borough	\$3,647,106
4. City of Seldovia	\$ 37,595
5. City of Seward	\$ 36,181
6. City of Soldotna	\$ 192,576
<b>12. Railbelt Energy Fund Re-appropriations to DCCED</b>	
▪ Homer Electric Assoc. (upgrades within KPB)	\$12,500,000

- 
- Healy Clean Coal Plant Restart (HEA is purchasing) \$12,500,000
  - Seward Electric System (new backup generator) \$1,000,000



# Central Emergency Services

Central Kenai Peninsula Fire & EMS Providers

Agenda Item 11

Committee Finance

**Chris Mokracek**  
Fire Chief

Page Number 39  
02005-19-47

## MEMORANDUM

TO: Kenai Peninsula Borough Assembly

THRU: John Williams, Mayor *[Signature]*

THRU: Chris Mokracek, Fire Chief *[Signature]*

FROM: Len Malmquist, Chairman *[Signature]*  
Central Emergency Services Board of Directors

DATE: May 8, 2006

SUBJECT: Ordinance 2005-19-47

Routed From Mayor's Office to:

- Clerk \_\_\_\_\_
- Assembly
- Legal \_\_\_\_\_
- Finance \_\_\_\_\_
- Assessing \_\_\_\_\_
- Planning \_\_\_\_\_
- Roads \_\_\_\_\_
- SBB \_\_\_\_\_
- Purchasing \_\_\_\_\_
- Other \_\_\_\_\_

Date: 5-9-06

The Board of Directors of Central Emergency Services held their regularly scheduled Board Meeting on April 20, 2006. At this meeting, the Board unanimously moved, and approved, that the Board Chair become the Liaison to the Assembly on Board matters, and that the Board Chair respond to all of the issues raised regarding Ordinance 2005-19-47.

Board Vice-Chair Jim Chambers has already provided some background information to the Assembly during the introduction of this Ordinance. (He has prepared additional comments which are attached to this Memorandum for your information.) I discussed this issue with Board Members Byron Bondurant and Howard Davis who were on the CES Board when the new building was discussed. They stated that to their recollection, the CES Fire Chief at the time, Jeff Tucker, and the Borough Administration both had expressed their strong desire to build the new building as additional funding was available. Since the Fire Chief and the Mayors Office felt that this was the proper direction to take, the Board approved CES participating despite concerns of some of the Board members. The actions of the past CES Board of Directors are a matter of record now.

Some of the concerns about participating in the new building revolved around issues identified by the Board of Directors over the years. CES enacted a citizens advisory group (called the Master Plan Committee) to develop a long range plan for CES. One of the items identified was the need to expand the Service Area as it grew. The Master Plan Committee included a recommendation that Station 1 be remodeled to increase space needs as this was the most effective way to administer the department. Another recommendation by the Committee was to slowly expand the Service Area, and they

identified logical locations for future fire stations as the Service Area grew. The Committee also had recommended that CES establish a financial system to fund the gradual growth needs of equipment and facilities for future expansion. All of these recommendations have validity today.

Shortly after his election, Mayor Williams attended a CES Board Meeting and stated that he had heard that the CES Board of Directors felt that it was not in the interests of the Service Area residents to continue to plan to move into the new CES/EOC building. Did the Board feel this way? The answer was YES. Three of the current Board of Directors are new to the Board since the building was discussed and approved. (One member was elected to the Board and seated at the meeting when final approval was given.) The current CES Board feels that the following items relate to their desire to opt out of the new EOC Building:

- Service Area voters approved a huge expansion of the Service Area which was not fully planned for. (The two annexation measures were placed on the ballot by the Mayor's Office, so CES had little opportunity to plan for the expansion.) This expansion will require the expenditure of significant funds to provide equitable services to the newly expanded areas.
- The voters also approved a Bond measure to provide funding for some items related to the expanded area, but the approved funding will not fully fund the expenses needed for the expansion.
- Funding of basic fire and emergency medical services is a much higher priority than moving into new administrative quarters. The residents of the Service Area deserve to receive the full level of services that their taxes pay for.
- The new Fire Chief and fire administration feel that they can be more effective in administration if they remain at the Soldotna Fire Station rather than moving into separate facilities.
- The expansion of administrative facilities can be safely delayed until a later date, whereas basic services can't be delayed at all.
- The acceptance of CES Resolution 2006-001 allowed the CES Board of Directors to re-appropriate approximately \$100,000.00 to fund critical services. Resolution 2006-001 was presented to the Board by the Mayor's Office at the meeting where discussion of opting out of the EOC Building was discussed and accepted. The Resolution expressed our desire to opt out of the EOC Building.

This, in a nutshell, is the history of the issue before you. No member of the CES Board, whether past or present, wants to create problems for the CES Service Area or the Kenai Peninsula Borough. Mayor Williams and his staff tried to fix a perceived problem by allowing CES to opt out of the new EOC Building. Neither the Mayor, his staff, CES staff, nor the CES Board of Directors wish to place a hardship or burden on the Borough.

One issue of concern expressed by members of the Borough Assembly is where funding to allow CES to opt out will come from, as the Borough General Fund is already stretched too thin. I would like to offer a possible suggestion. CES is scheduled to pay Intergovernmental Charges of \$264,250.00 for next year. Rather than come up with any money, why not allow CES to defer paying any Intergovernmental Charges until all EOC

Building funds have been repaid to CES? This option does not adversely impact either budget.

If this suggestion does not meet with your approval, the CES Board of Directors will diligently work to make your decision work. We are fully committed to being team players who provide the best levels of services possible given the funding available to the residents of the Service Area. Should you decide that opting out of the EOC Building is not possible, we respectfully request that we be allowed to modify the CES Budget, as presented to you, to reinsert the items we removed when we voted to submit CES Resolution 2006-001 to the Borough Assembly. According to our budget documents, we would need to add back an additional \$99,476.00 directly related to moving into the EOC Building.

In view of comments from the Assembly Meeting on 4/18 regarding CES & EOC, I would like to add a couple comments to the summary I previously provided. I fully intended to be present during the last Assembly meeting, but became temporarily incapacitated due to medical issues. However, CES Chair Len Malmquist was there at my request to answer any questions, along with CES Chief & Asst. Chief. They did not sign up to speak, because they were under the impression Assembly Members would be asking questions. Evidently, impressions were already formed at that time, and no questions were asked. Had I been present, I certainly would have been speaking.

It is very difficult for any of the Service Area Boards to bring any issue to the Assembly floor that goes against a direction any Administration deems necessary during their term of office. How often can you recall any Board coming to the Assembly floor to raise conflicts with a Mayor? Especially, if certain issues do not seriously impact the ability of the Service Area to provide services. However, such actions by a Service Area Board, in raising conflicts with an Administration on non-critical issues, could seriously impact Internal Operations, Support & Personnel issues during the fiscal year and/or term of office.

Should Mayor Williams have determined that CES comments during his extensive budget review were unfounded or lacked merit, this issue would not have been brought to the Assembly. Mayor Williams & his staff made the offer to bring this to the Assembly. The CES Board did not make a formal request for this action, only agreed to the opportunity to opt out, and we accepted that offer to opt out if approved. While CES Board Members are elected, and do have a responsibility to notify the Assembly of decisions the board feels are in conflict to provide service, we are not going to bring every issue in disagreement with Administration to the Assembly in a public forum that does not create an impact on ability to provide service. Such tactics facilitate the type of public comments and actions none of us desire or wish to participate in. CES Board has a responsibility to Service Area Members to make fiscal recommendations to the Administration that will be in the best interest of those members to provide the best level of service possible for those tax dollars. We will continue to work in every way possible with final budget figures each Administration or the Borough Assembly determines to be appropriate. This decision was not brought to the Assembly to create conflicts, question authority, lay blame, or any other negative issue. We fully understand each Administration may have priorities they feel necessary to implement, and others may not always be informed of other reasons or fiscal actions that may pertain to certain decisions.

CES Board does recognize the need to upgrade Dispatch Center equipment & upgrade the ability of Emergency Management to operate more effectively during emergencies. But, we also needed the remodeling of Station 1, not only for Administration, but for personnel & equipment as well. The Training room in the new EOC Facility was the only realistic benefit that would be fully utilized & most beneficial to CES operations.

In the early considerations and actions to build the EOC Facility, I wonder how much influence was generated in the possibility of the State transferring their dispatchers over to the responsibility of the Borough after moving into the new EOC? Could this have been a necessity for CES to also join, considering the level of influence CES may provide? Were any Assembly members involved in any of those discussions, or was this just a rumor.

(attachment)



Judging from the number of Residents attending & testifying to the CES Board & during Budget Meetings over the last several years (virtually 0), the public must have been viewing the CES Board to be planning in the right direction. Especially with the significant level of voter approval on the recent Service Area Expansion and the Bond proposal Service Area wide. Given the Budget cuts previously received, CES budget was not at a level to accommodate such an immediate task. The decision to push this to the ballot was from Administration. Possibility this was in part due to the progress in the Funny River area. Now we are certainly faced with how we are going to fund these issues.

Again, while some Assembly Members may feel CES Board should have brought this to the Assembly early on, we could not take the risk with past Administration on other issues that certainly could have had a significant impact on daily operations. The department was already experiencing the steady increase in call volume, personnel shortage, & numerous budget cuts, among other issues. Working with the previous budget reductions were a critical challenge to the Board & Staff, but was accomplished, and level of service maintained.

If we are to prevent any future problems or conflicts from developing, I would suggest the Assembly Liaison & CES Board Chair establish frequent communication, and Assembly Liaison attend budget meeting, at least in November and January each year. This will allow for information to be presented to the Assembly Members, by other than CES Board. Should other conflicts arise during any year, the Liaison will have the opportunity to view first hand & evaluate before reporting to the Assembly. You can also rest assured each individual currently on this Board will also remain in contact with Assembly Members. We are certainly not going to allow Board recommendations to be "swept under the rug" that would benefit the Service Area in the future.

Copies of CES Board Minutes from the past three years have been made available for your review, all in some way leading up to the EOC Facility.

This issue has taken on the appearance of something other than it should be. Let us not allow this to grow into an issue where the public will be intensely involved. If your decision is for CES to continue into this facility, we will gladly do so & make the best use possible, of which I previously informed you.

I have attempted to give you some background information, without reflecting negatively, or spelling out specific incidents or actions against any individual. Each person, whether Mayor, Assembly, Administrative Staff, Board Members, and others, usually have some personal issues. Each of us, especially as elected officials, must be very cautious to not allow our personal feelings or issues to interfere with the professional decisions we are expected to make. Unfortunately, some individuals cannot always separate the personal from professional. I sincerely hope each Assembly member seriously review all information you receive on this issue, and remember the intent & source of this request was not to create any misgivings on any one person or group. This was entirely to better utilize CES funds for projects already previously planned, even before the Service Area expansion was approved by voters.

Should each of you desire to better understand some of the problems we are all forced to resolve, I suggest you contact some of the Funny River Board Members and residents involved with the CES expansion. You might be surprised in what you hear from them.

I recognize the difficulty this is placing each of you in, but remember the only intent in this issue is the most appropriate use of CES funds to provide the level and quality of service the residents expect.

# FAX

Weaver Brothers, Inc.  
P.O. Box 2229  
Kenai, Alaska 99611

05/09/2006

Number of pages including cover sheet 05

Agenda Item N.4.

Committee Finance

Page Number 72  
02006-13 (mayor) SAB

To: ~~Sherry~~  
At: \_\_\_\_\_

*Assembly  
Members*

From: Jim Doyle

Phone \_\_\_\_\_

Fax Phone 907-714-2388

CC: \_\_\_\_\_

Phone (907) 283-7957

Fax Phone (907) 283-3677

Urgent     For your review     Reply ASAP     Please comment

- 1) Vehicle Registration in KPB
- 2) " " in Anchorage
- 3) " " in Fairbanks

STATE OF ALASKA \_\_\_\_\_ VEHICLE REGISTRATION \_\_\_\_\_ DIVISION OF MOTOR VEHICLES

EXPIRES LAST DAY OF:	LICENSE NO.	TAB NO.	CLASS	DATE	VEHICLE DESCRIPTION
APR 2007	EHL937	N628256	44	04/05/2006	MAKE KW MODEL YEAR 2003 BODY DS COLOR BLU WEIGHT 20562 UNIT NO. 93

VEHICLE IDENTIFICATION NUMBER  
1XKWDB0X13R386942

OWNER(S)  
WEAVER BROTHERS INC

2245008

MAIL ADDRESS	RESIDENCE ADDRESS	FEE'S
PO BOX 2229	14223 KENAI SPUR HIGHWAY	REGISTRATION 331.00
KENAI AK 99611	KENAI AK 99611	TITLE 0.00
LIENHOLDER		LIEN 0.00
		MUNICIPAL TAX 200.00
		INSPECTION 0.00
		TP/MS 0.00
		<b>TOTAL 531.00</b>

The owner certifies that there is a liability insurance policy for this vehicle if required by AS 28.22.011 and this policy will be maintained during the entire registration period; the address shown is my true legal address; if this is a commercial motor vehicle I certify that I am familiar with and have knowledge of the Federal Motor Carrier Safety Regulations (49 CFR part 107,171-173, 177, and 178); all information is true and correct.

X *Weaver Brothers Inc.*  
*by Jimmy Crowley*



**MANDATORY INSURANCE NOTICE**

Alaska law requires the owner or operator of a vehicle to have liability insurance before the vehicle is driven. The liability insurance required must be in the amounts of not less than \$50,000/\$100,000 for bodily injury or death; and \$25,000 for property damage. In addition, the law requires you to carry proof of this insurance in the vehicle. Failure to have the required insurance may result in a suspension of your driving privileges for 90 days or more.

**NOTICE**



must be carried in the vehicle at all times. Make certain that this registration agrees with the license number on the display incorrect license plates or month/year tabs on a vehicle. Failure to display the proper license plates and result in a citation and/or impound of the vehicle.

[www.state.ak.us/dmv](http://www.state.ak.us/dmv)

856 REV. 02/05

STATE OF ALASKA \_\_\_\_\_ VEHICLE REGISTRATION \_\_\_\_\_ DIVISION OF MOTOR VEHICLES

EXPIRES LAST DAY OF: AUG 2006      LICENSE NO. DWY869      TAB NO. N369998      CLASS 44      DATE 08/03/2005      VEHICLE DESCRIPTION

VEHICLE IDENTIFICATION NUMBER  
1XKWDB9XXYR849560

1993662

OWNER(S)  
WEAVER BROTHERS INC

MAKE KW  
MODEL  
YEAR 2000  
BODY DS  
COLOR BLU  
WEIGHT 20240  
UNIT NO. 92

MAIL ADDRESS  
PO BOX 2229  
  
KENAI AK 99611

RESIDENCE ADDRESS  
2230 SPAR AVENUE  
  
ANCHORAGE AK 99501

FEES  
REGISTRATION 331.00  
TITLE 0.00  
LIEN 0.00  
MUNICIPAL TAX 141.00  
INSPECTION 0.00  
TP/MISC 0.00

TOTAL 472.00

The owner certifies that there is a liability insurance policy for this vehicle if required by AS 28.22.011 and this policy will be maintained during the entire registration period; the address shown is my true legal address; if this is a 2000-2002 vehicle, I certify that I am familiar with and have knowledge of the Federal Motor Carrier Safety Regulations (49 CFR part 107, 171-178, 177, and 179); all information is true and correct.

X *Wenon Brothers, Inc.*  
*By Jimmy Crawley*



**MANDATORY INSURANCE NOTICE**

Alaska law requires the owner or operator of a vehicle to have liability insurance before the vehicle is driven. The liability insurance required must be in the amounts of not less than \$50,000/\$100,000 for bodily injury or death; and \$25,000 for property damage. In addition, the law requires you to carry proof of this insurance in the vehicle. Failure to have the required insurance could result in a suspension of your driving privileges for 90 days or more.

**NOTICE**

This registration must be carried in the vehicle at all times. Make certain that this registration agrees with the vehicle. It is illegal to display incorrect license plates or month/year tabs on a vehicle. Failure to display correct month/year tabs could result in a citation and/or impound of the vehicle.

STATE OF ALASKA \_\_\_\_\_ VEHICLE REGISTRATION F DIVISION OF MOTOR VEHICLES

EXPIRES LAST DAY OF: MAR 2007 LICENSE NO. ECN198 TAB NO. N628202 CLASS 44 DATE 03/02/2006 VEHICLE DESCRIPTION MAKE KENTH MODEL

2158094

VEHICLE IDENTIFICATION NUMBER 1XKDDBOX02R896785

YEAR 2002 BODY TR COLOR BLU WEIGHT 19936 UNIT NO. 91

OWNER(S) WEAVERS BROTHERS INC

MAIL ADDRESS PO BOX 2229 KENAI AK 99611

RESIDENCE ADDRESS 3377 LEISURE STREET FAIRBANKS AK 99706

FEES	
REGISTRATION	331.00
TITLE	0.00
LIEN	0.00
MUNICIPAL TAX	0.00
INSPECTION	0.00
TP/MSC	0.00
<b>TOTAL</b>	<b>331.00</b>

LIENHOLDER

The owner certifies that there is a liability insurance policy for this vehicle if required by AS 28.22.011 and this policy will be maintained during the entire registration period; the address shown is my true legal address; if this is a government vehicle I certify that I am familiar with and have knowledge of the Federal Motor Carrier Safety Regulations (49 CFR part 107, 171-173, 177, and 178); all information is true and correct.

X Weaver Brothers, Inc.  
By Jimmy Crawford



**MANDATORY INSURANCE NOTICE**

Alaska law requires the owner or operator of a vehicle to have liability insurance before the vehicle is driven. The liability insurance required must be in the amounts of not less than \$50,000/\$100,000 for bodily injury or death; and \$25,000 for property damage. In addition, the law requires you to carry proof of this insurance in the vehicle. Failure to have the required insurance may result in a suspension of your driving privileges for 90 days or more.

**NOTICE**

Must be carried in the vehicle at all times. Make certain that this registration agrees with the license number on the display incorrect license plates or month/year tabs on a vehicle. Failure to display the proper license plates and result in a citation and/or impound of the vehicle.

STAPLE HERE  
N628202  
07

www.state.ak.us/dmv

proposed fees #2

Other	\$17	\$17	\$15	\$13	\$10	\$7	\$5	\$4
<b>TR Cam (&lt; \$K Ba)</b>								
Current	\$150	\$130	\$110	\$90	\$70	\$60	\$50	\$40
Proposed	\$150	\$145	\$135	\$125	\$105	\$95	\$85	\$75
change								
Bethel	\$151	\$151	\$124	\$96	\$69	\$49	\$35	\$24
Ketchikan	\$152	\$152	\$126	\$102	\$75	\$50	\$40	\$26
Mat-on	\$145	\$145	\$135	\$125	\$105	\$105	\$95	\$80
Other	\$121	\$121	\$99	\$77	\$55	\$39	\$28	\$19
<b>TR Cam ( \$K &lt; 12K)</b>								
Current	\$200	\$180	\$160	\$140	\$120	\$100	\$75	\$50
Proposed	\$220	\$220	\$220	\$200	\$150	\$120	\$110	\$110
change								
Bethel	\$248	\$248	\$193	\$151	\$124	\$96	\$69	\$41
Ketchikan	\$254	\$240	\$202	\$152	\$126	\$102	\$76	\$50
Mat-on	\$220	\$220	\$220	\$220	\$220	\$185	\$110	\$110
Other	\$198	\$198	\$154	\$121	\$99	\$77	\$59	\$33
<b>TR Cam (&gt; 12K &lt; 20K)</b>								
Current	\$300	\$260	\$220	\$180	\$140	\$100	\$80	\$60
Proposed	\$480	\$480	\$480	\$400	\$330	\$350	\$250	\$250
change								
Bethel	\$521	\$521	\$453	\$398	\$343	\$288	\$246	\$219
Ketchikan	\$530	\$530	\$454	\$404	\$352	\$302	\$252	\$226
Mat-on	\$480	\$480	\$480	\$480	\$480	\$400	\$320	\$320
Other	\$447	\$447	\$392	\$348	\$304	\$260	\$227	\$205
<b>TR Cam (&gt; 20K)</b>								
Current	\$400	\$330	\$300	\$250	\$200	\$150	\$100	\$70
Proposed	\$632	\$632	\$550	\$550	\$500	\$400	\$350	\$300
change								
Bethel	\$645	\$645	\$549	\$466	\$398	\$343	\$288	\$233
Ketchikan	\$656	\$656	\$554	\$478	\$404	\$352	\$302	\$252
Mat-on	\$632	\$632	\$596	\$560	\$524	\$488	\$452	\$417
Other	\$546	\$546	\$469	\$400	\$348	\$304	\$260	\$216
<b>Dealer (Minimum \$100)</b>								
Current	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Proposed	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
change								
Bethel	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Ketchikan	\$102	\$102	\$102	\$102	\$102	\$102	\$102	\$102
Mat-on	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Other	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88
<b>Dealer (Maximum \$100)</b>								
Current	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Proposed	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
change								
Bethel	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Ketchikan	\$102	\$102	\$102	\$102	\$102	\$102	\$102	\$102
Mat-on	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Other	\$88	\$88	\$88	\$88	\$88	\$88	\$88	\$88

*Change 1/41*





## RECENT POSITION VACANCY ACTIVITY

### POSITIONS FILLED::

Assistant Borough Attorney	Legal
Plumber (Homer)	Maintenance

Routed From  
Mayor's Office:

Clerk	_____
Assembly	_____
Legal	_____
Finance	_____
Assessing	_____
Planning	_____
Roads	_____
SBB	_____
Purchasing	_____
Other	_____

Date: 5-16-09

### POSITIONS ON HOLD:

GIS Technician	GIS
Land Management Agent	Planning
Supply Specialist	Purchasing
Director	Solid Waste

### CURRENTLY RECRUITING:

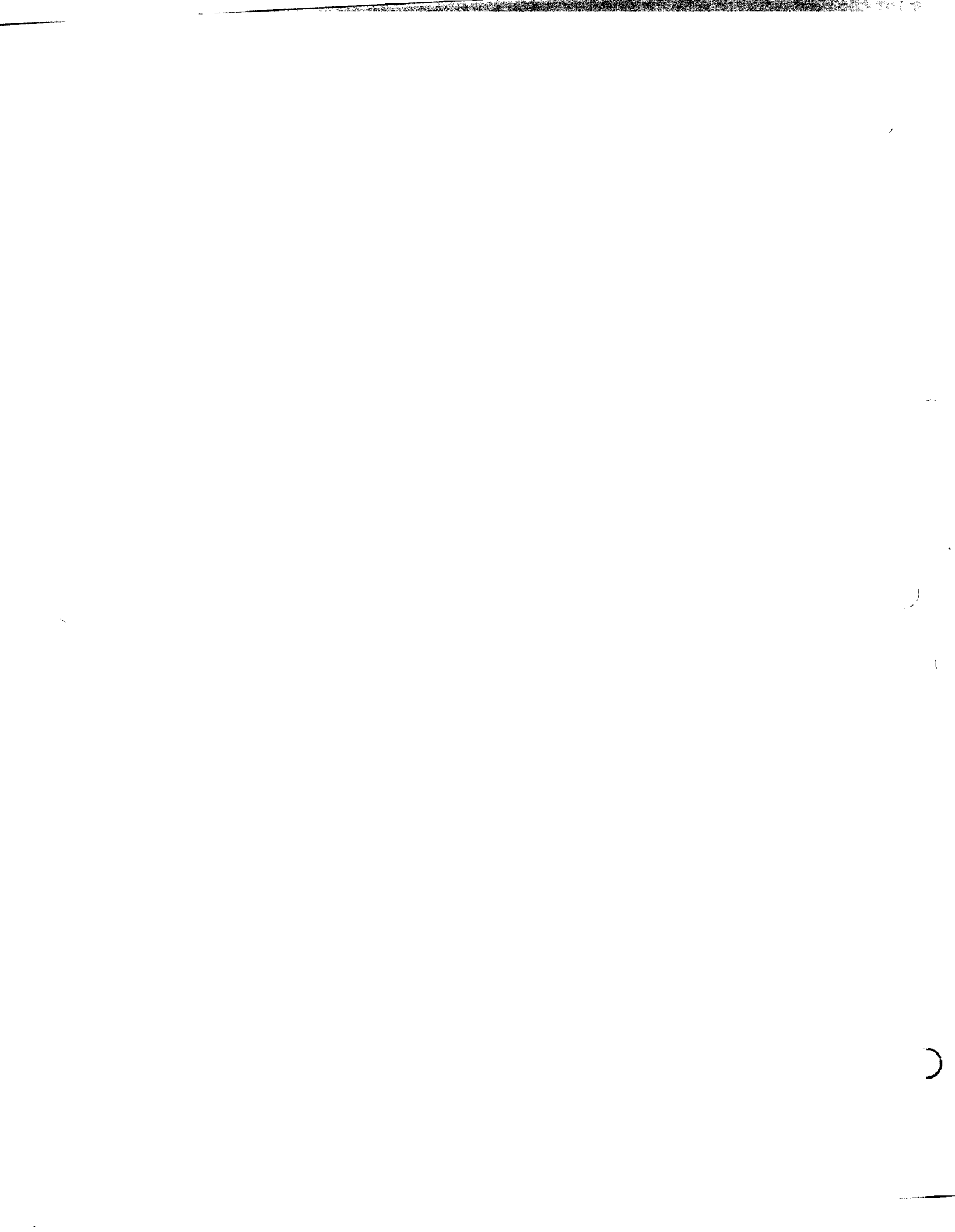
Appraisal Analyst	Assessing
Capital Project Manager (2)	Public Works
Firefighter / Paramedic (2)	CES
Firefighter/ EMT III ACLS	CES
Secretary	Borough Clerk's Office
Auditor / Accountant	Finance
Receptionist / Account Clerk	Finance
Administrative Assistant	Human Resources
Electrician	Maintenance
Millwright/GMM II	Maintenance
Lifeguard (1/2 time)	NPRSA
Public Safety Dispatcher - 911	OEM
Secretary (1/2) Time	Solid Waste
Operator / Laborer	Solid Waste

Agenda Item N.7.

Committee Finance

Page Number 83

02006-19





# KENAI PENINSULA BOROUGH

144 N. BINKLEY · SOLDOTNA, ALASKA · 99669-7520  
BUSINESS (907) 262-4441 FAX (907) 262-1892

## MEMORANDUM

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

**THRU:** John J. Williams, Kenai Peninsula Borough Mayor *[Signature]*

**FROM:** *[Signature]* Colette Thompson, Borough Attorney  
*[Signature]* Craig Chapman, Finance Director

**DATE:** May 16, 2006

**SUBJECT:** Ordinance 2006-20 regarding the purchase of Heritage Place assets

Although this ordinance authorizes the purchase of Heritage Place for \$999,999, a appropriation of the funds was inadvertently excluded. The administration respectfully requests that the assembly amend the ordinance as shown below.

▶ Amend the title as follows:

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT TO PURCHASE THE ASSETS OF HERITAGE PLACE, A 60-BED SKILLED NURSING FACILITY, WHICH WOULD BE LEASED AND OPERATED BY CENTRAL PENINSULA GENERAL HOSPITAL, INC., AND APPROPRIATING \$999,999 FOR SUCH ACQUISITION.**

▶ Amend by inserting a new Section 4 that reads as follows, and renumbering the remaining sections accordingly:

**SECTION 4.** The sum of \$999,999 is appropriated from the CPGH, Inc. Plant Replacement Expansion fund to Account No. 490.81111.06CH1.49999 for the acquisition of Heritage Place assets as authorized by this ordinance."

Agenda Item N. 8.

Committee Finance

Page Number 90  
02006-20

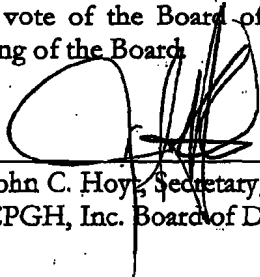
**SECTION 4.** The CPGH, Inc. Board of Directors authorizes the CEO to execute the Conditional Sales Agreement that stipulates that the final agreement will be substantially similar to the draft agreement currently being reviewed by legal counsel.

**SECTION 5.** The CPGH, Inc. Board of Directors supports and recommends the acquisition of Heritage Place Nursing Facility by the Kenai Peninsula Borough on behalf of the Central Peninsula Hospital Service Area to ensure that long-term care needs of the community continue to be met.

**SECTION 6.** This resolution takes effect immediately upon its adoption.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 03/30/06 meeting of the Board.

DATED: 03/30/06

  
\_\_\_\_\_  
John C. Hoy, Secretary/Treasurer  
CPGH, Inc. Board of Directors

Agenda Item N. 8.  
Committee Finance  
Page Number 90  
02006-20

May 5, 2006

**A Resolution of the Resident Council  
Heritage Place Nursing Facility  
May, 2006**

**Directed To: Borough Mayor and Kenai Peninsula Borough Assembly**

Whereas: The residents of Heritage Place Nursing Home support the proposed purchase of the facility by the Kenai Peninsula Borough provided the following standards are adopted and maintained:

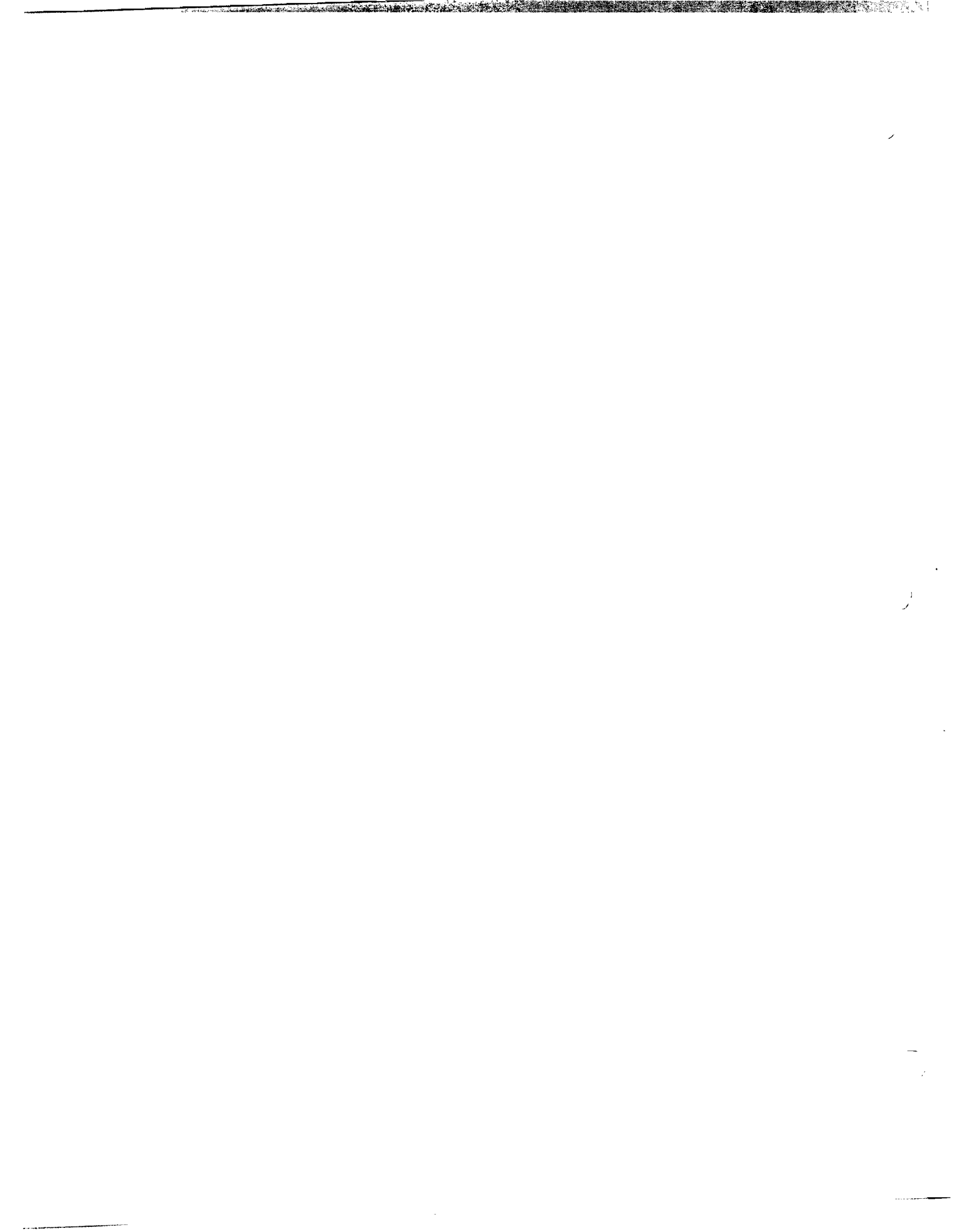
- 1) There shall be no reduction in the ratio of resident assistants (RA's) to residents as were available on 5/15/06.
- 2) The provision of food service shall be maintained as to quality and quantity.
- 3) All of the current daily activities that add so much to the quality of life for residents shall be continued.
- 4) The operation of Heritage Place as a skilled nursing facility shall be continued by the Borough and its operator—CPGH, Inc

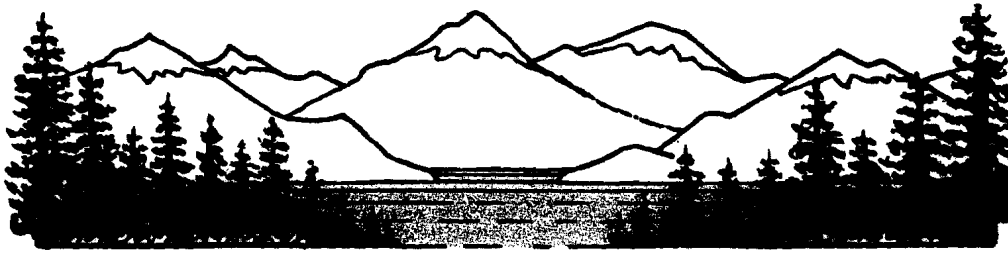
Thank you for these considerations of the resident council on behalf of the residents of Heritage Place.

Vince O'Reilly  
Mr. Vince O'Reilly, Mayor

Marie Phillips  
Ms. Marie Phillips, Secretary

Jean C. Partch  
Ms. Jean Partch, Vice-Mayor





Routed From Mayor's Office to:

Clerk	_____
Assembly	<input checked="" type="checkbox"/>
Legal	_____
Finance	_____
Assessing	_____
Planning	_____
Roads	_____
SBB	_____
Purchasing	_____
Other	_____

Date: 5-15-06

**Soldotna Area Senior Citizens, Inc.**

197 West Park Avenue ★ Soldotna, Alaska 99669

Phone: (907) 262-2322 ★ Fax: (907) 262-2147 ★ salsrctr@alaska.net

**SOLDOTNA AREA SENIOR CITIZENS, INC.  
CORPORATE RESOLUTION**

**2006-122**

**Purchase of Heritage Place Nursing Facility by the Kenai Peninsula Borough**

**Directed To:** Members of the Kenai Peninsula Borough Assembly  
Mayor John Williams, KPB

**Whereas:** Soldotna Area Senior Citizens, Inc., by consensus of the Board of directors supports the proposed purchase of Heritage Place Nursing Facility in Soldotna, AK., by the Peninsula Borough, and

**Whereas:** Area seniors greatly value Heritage Place Nursing Facility both for short term rehabilitation and long term care, and

**Whereas:** We understand Banner Health has offered the assets of Heritage Place Nursing Facility to the Kenai Peninsula Borough for a very reasonable Price, and

**Whereas:** The loss of Heritage Place Nursing Facility would be extremely detrimental to area seniors and their families should they need Skilled Nursing Services.

**Therefore, Be It Resolved, That**

Soldotna Area Senior Citizens, Inc., board of directors strongly support the purchase of Heritage Place Nursing Facility and urge the Kenai Peninsula Borough Assembly to favorably consider the proposal. The board of directors further believe this action will ensure the delivery of Skilled Nursing Services in our community, which is vital to the well being and health of area seniors.

**Further Be It Resolved, That**

Soldotna Area Senior Citizens, Inc., Board of Directors has adopted SASC Corporate Resolution 2006-122, May 2, 2006, supporting the purchase of Heritage Place Nursing Facility by the Kenai Peninsula Borough.

RECEIVED

MAY 15 11 11 AM '06

CLERK'S OFFICE

Page Number 0200620  
 Committee Finance  
 Agenda Item N.S.

**SOLDOTNA AREA SENIOR CITIZENS, INC.  
CORPORATE RESOLUTION  
2006-122**

**Purchase of Heritage Place Nursing Facility by the Kenai Peninsula Borough**

Morris M. Breed  
Morris M. Breed, President

Marjorie E. Adolf  
Marjorie Adolf, Vice President

Richard J. Brown  
Richard J. Brown, Treasurer

Lenore Jones  
Lenore Jones, Secretary

Viola Morrison  
Viola Morrison, Board Member

Lee Sells  
Lee Sells, Board Member

Darlene Tachick  
Darlene Tachick, Board Member

Carolyn Prince  
Carolyn Prince, Board Member

cc: Mayor John Williams  
Senator Tom Wagoner  
Representative Mike Chenault  
Representative Kurt Olsen  
Ms. Loretta Flanders, Chair, CPGH, Inc.  
Ms. Kathy Phillips, Chair, Hospital Service Area Board  
Ms. Karleen Jackson, Commissioner, DHSS



May 2, 2006

Council on Aging  
361 Senior Court  
Kenai, AK 99611

Kenai Peninsula Borough Assembly  
144 N. Binkley  
Soldotna, AK 99699



Routed From Mayor's Office to:

- Clerk
- Assembly
- Legal
- Finance
- Assessing
- Planning
- Roads
- SEB
- Purchasing
- Other

Date: 5-9-06

Dear President Long and Assembly Members,

This letter is being written in support of the Kenai Peninsula Borough's intent to purchase Heritage Place in Soldotna, AK.

Heritage Place is the only skilled nursing facility on the Peninsula. It serves people of all ages that are in need of skilled health care. The Kenai Council on Aging enthusiastically supports the continuum of care this nursing home has offered since its creation by Banner Health. This facility provides an indispensable choice alternative critical to meeting the health care needs of our peninsula residents.

This council understands that seniors thrive and maintain their independence longer if they are able to live within their own community. We support the Kenai Peninsula Borough Assembly's intent to purchase this skilled nursing facility and establish it as an extension of Central Peninsula General Hospital. If this or no other alternative comes to fruition, elders would be forced to move away from their homes and would not be allowed a reasonable alternative, other than to move from this area to Providence Extended Care or Mary Conrad Center in Anchorage, or possibly further away to another facility in Fairbanks. It is of our opinion that this choice is unacceptable, as it would place them further away from their homes and, in most cases, their extended families.

As our population continues to grow and age here on the peninsula the need for facilities like Heritage Place is only going to increase. This fact alone lends strengthened justification for vigorously pursuing this course of action. This council would like to commend those responsible for initiating an endeavor of this nature. The outcome of this endeavor will positively affect the lives of every citizen who may, at some point in their lives, need a service such as that offered at Heritage Place. To that end...its availability to meet our own future health care needs maybe in question here!

Sincerely,

Kenai Council on Aging

Bill Osborn Joanna Hollier Fiocla Wilson  
Bill Osborn, Chair Joanna Hollier Fiocla Wilson

Gina Kuntzman Richard Jurgensen Earl Jones  
Gina Kuntzman, Vice Chair Richard Jurgensen Earl Jones

Linda Flowers  
Linda Flowers

cc: John Williams, Borough Mayor

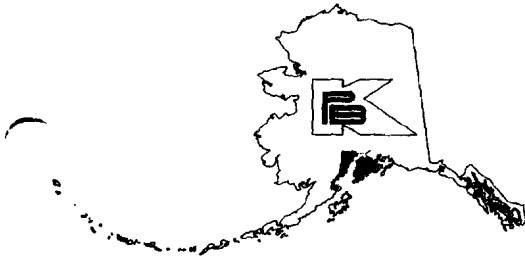
Agenda Item No. 8.

Committee Finance

Page Number 90

02006-20





## KENAI PENINSULA BOROUGH

144 N. BINKLEY · SOLDOTNA, ALASKA · 99669-7520  
BUSINESS (907) 262-4441 FAX (907) 262-1892

JOHN J. WILLIAMS  
MAYOR

### MEMORANDUM

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

**FROM:** John J. Williams, Borough Mayor

**DATE:** May 15, 2006

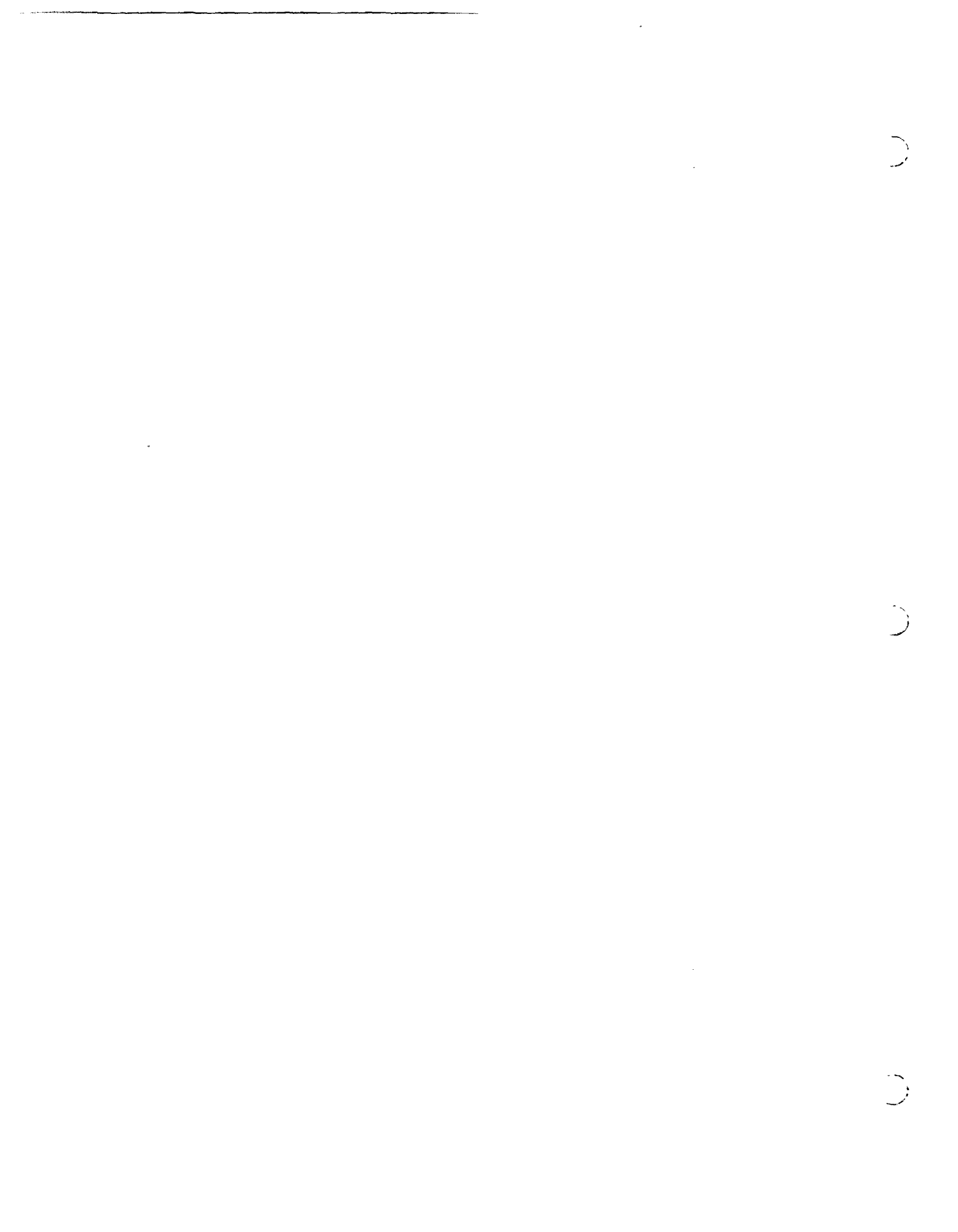
**SUBJECT:** Proposed lawsuit against State of Alaska for Education Funding

During the May 2, 2006, assembly meeting in Seward the assembly considered a motion to authorize the mayor to investigate legal options regarding filing a lawsuit against the State of Alaska to increase state funding available for education. The assembly postponed action on the motion for a variety of reasons, including providing additional time to clarify the wording of the motion. Following is a revised motion for your consideration:

“As the assembly agrees that the borough should seriously consider pursuing a lawsuit against the State of Alaska regarding inadequate state education funding, the mayor is authorized to investigate and formulate a plan that may include legal options available to the borough to pursue such an action. Before proceeding formally with a lawsuit against the state on this matter the mayor shall first present a plan of action to the assembly and obtain further authorization to proceed.”

Your consideration and support of this request would be appreciated.

Agenda Item 0.1.  
Committee PLP  
Page Number 113



# KENAI PENINSULA BOROUGH

## P. W. / MAJOR PROJECTS DIVISION

47140 E. POPPY LANE, SOLDOTNA, AK. 99669  
PH: (907) 262-9657 FAX: (907) 262-6090

RECEIVED

2006 MAY 16 AM 9:51

### MEMORANDUM

153  
CLERK'S OFFICE

TO: Ron Long, Assembly President  
Kenai Peninsula Borough Assembly Members

FROM: John J. Williams, Mayor  
Mark Fowler, Purchasing & Contracting Officer  
Walter Robson, PW/MPD Director

DATE: May 1, 2006

SUBJECT: Resolution 2006-046, Authorizing Award of Contract for the South Peninsula Hospital East Addition and Alterations

(This memorandum and resolution were first supplied with blank spaces due to a bid date after the market deadline.)

The Purchasing and Contracting Office will solicit and open bids for the above-referenced project on May 10, 2006. The invitation to bid was advertised in the Peninsula Clarion, Homer News, Seward Phoenix Log, and the Anchorage Daily News. Three bids were received. The firm of Comerstone Construction Co., Anchorage, Alaska submitted the low responsive total bid of \$12,005,000.00 Base Bid plus Additive Alternate # 2 and Special Unit Work.

The base bid work consists of furnishing all labor, materials and equipment for new hospital construction on two levels, approximately 22,650 sq. ft., and varying renovation of approximately 4,615 sq. ft. of existing building areas including associated site and utility work. (Additive Alternate #1 work, Radiology renovation, was included in the Base bid work.) Additive Alternate #2 work consists of providing an additional ten (10) parking stalls. The Special Unit Work consists of approximately 8 hours of excavating any fuel-contaminated soil to be possibly encountered.

The project is anticipated to be substantially complete within 660 calendar days after Notice to Proceed. This recommendation is contingent upon the South Kenai Peninsula Hospital Service Area Board minutes supporting the award. Funding is available in the SPH bond capital project's budget. Expenditures for the project will be charged to account number 401.81211.04SHB.49101.

The attached Resolution requests Award of Contract for this work to the low responsive bidder, for the stated bid amount.

Attachments: Resolution 2006-046  
Bid Tabulation  
Delay Justification Memo

#### FINANCE DEPARTMENT FUNDS VERIFIED

Acct. # 401.81211.04SHB.49101 (\$12,005,000)

By: CBW Date: 5/16/06

Agenda Item P. 1. \* b.

Committee Finance

Page Number 118

R2006-046

Introduced by: Mayor  
Date: May 16, 2006  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2006-046  
AUTHORIZING AWARD OF A CONTRACT FOR THE SOUTH PENINSULA  
HOSPITAL, EAST ADDITION AND ALTERATIONS**

**WHEREAS**, the Purchasing and Contracting Officer has solicited and received bids for this project; and

**WHEREAS**, the low responsive bid submitted by Cornerstone Construction Co., of Anchorage, Alaska is fair and reasonable, and the bidder is qualified to perform the work; and

**WHEREAS**, funds are available for this project in account no. 401.81211.04SHB.49101;

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

**SECTION 1.** The Mayor is authorized to award the contract to Cornerstone Construction Co. to perform the work of the Base Bid, Additive Alternate #2, and Special Unit work at a lump sum amount of \$12,005,000.

**SECTION 2.** Expenditures for the project will be charged to account number 401.81211.04SHB.49101.

**SECTION 3.** The Mayor is authorized to execute all documents and make all agreements deemed necessary to complete this project in accordance with this Resolution and the contract documents.

**SECTION 4.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF MAY 2006.**

\_\_\_\_\_  
Ron Long, Assembly President

ATTEST:

\_\_\_\_\_  
Linda S. Murphy, Borough Clerk

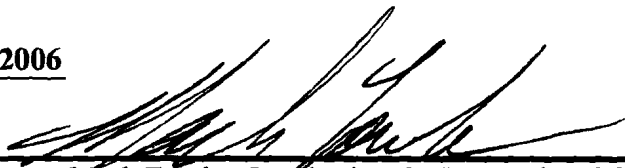
**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: South Peninsula Hospital East Addition & Alterations**

CONTRACTOR	BASE BID	ADD ALT 2	SP-1	TOTAL BASE BID, ALT 2 AND SP-1
Jay-Brant General Contractors	\$12,261,663.00	\$72,300.00	\$2,600.00	\$12,336,563.00
Cornerstone Construction Co.	\$11,905,240.00	\$95,760.00	\$4,000.00	\$12,005,000.00
Unit Company	\$12,780,000.00	\$102,600.00	\$4,200.00	\$12,886,800.00

**DUE DATE: May 10, 2006**

**KPB OFFICIAL:**

  
\_\_\_\_\_  
Mark Fowler, Purchasing & Contracting Officer





**CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA BOARD**

**RESOLUTION 2006-003**

**A RESOLUTION REQUESTING THE BOROUGH ASSEMBLY TO CHANGE  
THE NUMBER OF BOARD MEMBERS OF THE  
CENTRAL PENINSULA HOSPITAL SERVICE AREA BOARD  
FROM SEVEN (7) TO NINE (9) MEMBERS**

**WHEREAS**, in 1997 with Ordinance 97-41, the assembly expanded the powers of the Central Kenai Peninsula Hospital Service Area ("CKPHSA"), subject to voter approval, and

**WHEREAS**, in 1997 with Ordinance 97-70, re-established the CKPHSA Board and the assembly authorized and expanded CKPHSA Board's duties to reflect the many changes in the hospital and medical care industries and the scope of powers for the Service Area become broader, in order to have a more effective delivery of services; and

**WHEREAS**, following voter approval of Ordinance 97-41, which established KPB Ordinance 16.08, was enacted with an effective date of October 7, 1997; and

**WHEREAS**, CKPHSAB has established several standing committees to address these expanded powers and authorizations, which are:

1. Finance Committee
2. Public Relations Committee
3. Grants Committee
4. Board Development Committee
5. Legislative Committee

That these committees meet at least once a month or more often depending on the issues before them and comprise no less than three (3) board members on each one, and

**WHEREAS**, In addition to the committee meetings, CKPHSA Board members also attend, are members of, or participate at Assembly meetings, other health agency meetings, CPGH meetings, and community meetings that pertain to the healthcare of the service area, and

**WHEREAS**, The average number of meetings a board member is attending amounts to no less than 4-7 meetings a month and in order to reduce the burden to the individual members who are elected volunteers, the CKPHSA board

Page Number 02006-27  
Committee PDP  
Agenda Item P.3.\*e

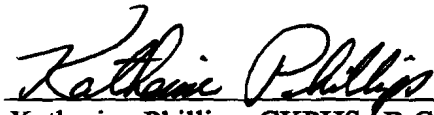
members are requesting that the board be increased from seven (7) members to a nine (9) member board.

**NOW, THEREFORE, BE IT RESOLVED BY THE CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA BOARD:**

**SECTION 1.** That the Central Kenai Peninsula Hospital Service Area Board requests the KPB Assembly increase its membership from seven (7) member to a nine (9) member board.

**SECTION 2.** That this resolution will take effect upon the certification of the October 2006 election results.

**ADOPTED BY THE CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA BOARD THIS 8<sup>th</sup> DAY OF MAY, 2006.**

  
Katherine Phillips, CKPHSAB Chair

ATTEST:

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**Sweppy, Maria**

**From:** Toll, Mary  
**Sent:** Monday, May 01, 2006 3:23 PM  
**To:** Sweppy, Maria  
**Subject:** FW: Easement Vacation - North Ridge Estates Subdivision

Would you please mail these comments to Matt Letzring and put a copy in the file?

Thanks - MT

-----Original Message-----

**From:** Ellen Simpson [mailto:[ellen\\_simpson@fishgame.state.ak.us](mailto:ellen_simpson@fishgame.state.ak.us)]  
**Sent:** Monday, May 01, 2006 2:51 PM  
**To:** Mary Toll (E-mail)  
**Cc:** George Horton  
**Subject:** Easement Vacation - North Ridge Estates Subdivision

ADF&G staff has reviewed the petition submitted by Matthew Letzring to vacate a portion of the section line easement from Crooked Creek Road to the Crooked Creek along the north boundary of Tract A North Ridge Estates Subdivision. I apologize for the late comments. Crooked Creek is cataloged as being important for the production of king, coho and pink salmon, and Dolly Varden and steelhead trout. It is open for recreational fishing. This section line easement provides platted public access from Crooked Creek Road to Crooked Creek. From the materials provided by the Kenai Peninsula Borough, Mr. Letzring has not identified equal or better access to the creek.

ADF&G does not support the vacation of this section line easement. ADF&G will submit additional comments during the DNR easement vacation decision process. If you have any questions please feel free to contact me.

Ellen Simpson  
Habitat Biologist  
Alaska Department of Fish and Game  
907-267-2463

RECEIVED  
MAY 16 AM 9:2  
CLERK'S OFFICE

Agenda Item P.4.\*b.  
Committee Lands  
Page Number 211

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