CALL TO ORDER

A Regular Meeting of the Kenai Peninsula Borough Assembly was held on March 2, 2010, in the Borough Assembly Chambers, Soldotna, Alaska. President Sprague called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE AND INVOCATION

The Pledge of Allegiance was recited followed by the invocation given by Pastor Corbie Cross from the Star of the North Lutheran Church.

There were present:

Pete Sprague, Presiding	Charlie Pierce
Mako Haggerty	Hal Smalley
Gary Knopp	Bill Smith
Sue McClure	Gary Superman

comprising a quorum of the assembly.

Absent:

Paul Fischer (excused)

Also in attendance were:

Colette Thompson, Borough Attorney
Johni Blankenship, Borough Clerk
Shellie Saner, Deputy Clerk

COMMITTEE REPORTS

(07:02:16)

Assembly President Sprague said the Assembly met in a Work Session with the Central Peninsula Hospital Administration, Central Peninsula Hospital Inc. Board, Central Kenai Peninsula Hospital Service Area Board, and the South Kenai Peninsula Hospital Service Area Board. He said Mr. James E. Orlikoff, President of Orlikoff & Associates, Inc., gave a presentation on the "Future of Healthcare."

Assembly Member Smith said the Finance Committee met and discussed its agenda items.

Assembly Member Pierce said the Lands Committee met and discussed its agenda items.

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

> *[Clerk's Note: Assembly Member Haggerty gave notice to remove from the table the motion to direct the Legal Department to pursue a civil remedy against Hugh Chumley, Kenai Peninsula Borough Chief of Staff, pursuant to Alaska State Statute 29.25.070 (b) regarding the Borough's purchase of equipment from Chumley's Inc. Without a Notice of Intent to Do Business form being filed and requested it appear on the April 6, 2010 agenda.]*

Assembly Vice President Smalley said the Legislative Committee met and discussed its agenda items.

Assembly President Sprague said the Committee of the Whole met and discussed its agenda item.

APPROVAL OF THE AGENDA AND CONSENT AGENDA

(07:21:55)

MOTION TO APPROVE AGENDA: Smalley moved for the approval of the agenda and consent agenda.

President Sprague called for additions, corrections or deletions to the agenda or consent agenda.

The following item was removed from the consent agenda:

- Protest of New Liquor License Application Filed by Daggett Limited Liability Corporation dba Open Wine Distributors (Referred to Finance Committee)

Copies having been made available to the public, Borough Clerk Johni Blankenship noted by title only the resolutions and ordinances on the consent agenda.

- February 16, 2010 Regular Assembly Meeting Minutes

- Resolution 2010-015: Authorizing Capital Improvement Project Cost Allocation and Award of a Contract for the 2010 Warren Avenue Capital Improvement Project (Mayor) (Referred to Finance Committee)

- Resolution 2010-016: Authorizing $84,590 in Unexpended Funds from Contract Services Project Accounts #8BOXC, #8KWCH and #8SALM to be Made Available for Cost Sharing with the Kenai Watershed Forum on a Culvert Replacement Project at Salmon Creek Road and Nash Road in Seward and Authorizing the Mayor to Contract with Kenai Watershed Forum to Perform the Project (McClure, Mayor) (Referred to Finance Committee)

- Resolution 2010-017: Authorizing the Mayor to Purchase Three Used Flatbed Railroad Cars from the Alaska Railroad Corporation for Use as Bridges in the North Peninsula Area of the Borough (Superman, Mayor) (Referred to Finance Committee)

  [Clerk's Note: Resolution 2010-017 was amended as follows: Insert a new fourth whereas to read, "the purchase of railcars for use as bridge materials is the first phase in improving access over three salmon bearing streams, and partnerships need to be sought to complete design and construction phases; and"

- Resolution 2010-018: Approving the Amendment of Paragraph 10(c) of the Lease and Operating Agreement with Central Peninsula General Hospital, Inc. (Mayor) (Referred to Policies and Procedures Committee)

  [Clerk's Note: Resolution 2010-018 was amended as follows: Amend paragraph 10(c) of the Lease and Operating Agreement to read, "Purchasing Procedures. All purchases made by the Lessee/Operator shall be done in accordance with CPGH, Inc. corporate and operational policies related to purchasing that are in effect on the date of this agreement, as identified in a letter dated June 28, 2007, provided by CPGH, Inc. to the Borough contract administrator. The Lessee/Operator must obtain advance approval from the Borough contract administrator before modifying any of these corporate and operational policies related to purchasing, which approval will not be withheld unreasonably. Lessee/Operator is specifically authorized to purchase supplies, materials, equipment and inventory from [HEALTH PURCHASING GROUPS SUCH AS AMERINET AND] group purchasing organizations ("GPO") such as Amerinet or the Health Trust Purchasing Group, [ITS] or other GPOs, their successors or assigns, provided such purchases are otherwise allowable in this agreement. It is understood and agreed that exclusive service providers hired or contracted with by Lessee/Operator pursuant to this agreement are not required to comply with this provision unless otherwise stated in the contract between the Lessee/Operator and the provider. Finally, Lessee/Operator, per the existing business practice, agrees to communicate and cooperate with the Borough Purchasing and Contracting Officer on all purchases made that will require assembly approval."]

- Resolution 2010-019: Supporting House Bill 44, an Act Relating to Investments Applicable to Energy and Clarifying the Purpose of the Alaska Natural Gas Development Authority (Mayor) (Referred to Legislative Committee)

- Ordinance 2010-13: Amending KPB 2.56.007 to Amend the 2005 Kenai Peninsula Borough Comprehensive Plan by Adopting the Cooper Landing Walkable Community Project as Appendix K in Chapter 5, Transportation (Mayor, McClure) (Hearing on 04/06/10) (Referred to Policies and Procedures Committee)

- Ordinance 2010-14: Repealing KPB 21.18.070, Enacting KPB 21.18.071 Providing for Staff-Level Permits for Certain Activities Within the Anadromous Stream Habitat Protection District, and Amending KPB 21.18.140 to Add the Definition of River Center (Mayor) (Hearing on 04/06/10) (Referred to Lands Committee)

- Ordinance 2010-15: Amending KPB 5.04.110 to Increase the Amount that the Assembly May Spend on Capital Improvement Projects without Voter Approval in Order to Account for Increasing Costs of Construction (Smith) (Hearing on 04/06/10) (Referred to Finance Committee)

- Confirming an Appointment to KPB Anchor Point Advisory Planning Commission (Referred to Policies and Procedures Committee)

Appointment	Board Seat	Term Expires
Julie Engebretsen	Seat F	September 30, 2012

- Request for Formal Assembly Objection to the Renewal of the Following Liquor License Due to Unpaid Taxes (Referred to Finance Committee)

Business Name	Location
Alaskalanes	Kenai, Alaska

President Sprague called for public comment.

The following person addressed the Assembly regarding Resolution 2010-017:

Daniel Kartchner, 49153 Halbouty Road, Nikiski

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

AGENDA APPROVED AS AMENDED: Without objection.

COMMENDING RESOLUTIONS AND PROCLAMATIONS - None.

PRESENTATIONS WITH PRIOR NOTICE

(07:31:56)

South Peninsula Hospital CEO Robert Letson and Acting CFO Laurie Myer, presented a quarterly report for the period ending December 2009.

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

(07:42:46)

President Sprague called for public comment.

The following person addressed the Assembly regarding the Nikiski mill rate:

Daniel Kartchner, 49153 Halbouty Road, Nikiski

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

MAYOR'S REPORT

(07:50:38)

1. Agreements and Contracts

   a. Sole Source Authorization to ZOLL Medical Corporation for Defibrillators at Nikiski Fire Department

   b. Authorizing Award of Contract for Central Peninsula Landfill and the Homer Baling/Landfill Wire Purchase

2. Other

   a. Mayor's February, 2010 Report (to be provided on day of Assembly Meeting)

   b. Spruce Bark Beetle Program Monthly Report - January, 2010

   c. Revenue Expenditure Report - January, 2010

   d. Budget Revisions - January, 2010

   e. Tax Adjustment Requests Submitted to Finance for Processing

ITEMS NOT COMPLETED FROM PRIOR AGENDA - None.

PUBLIC HEARING ON ORDINANCES

(07:55:48)

<u>Ordinance 2009-19-28</u>: Appropriating Supplemental Funding of $136,165 for Costs Associated with Asbestos Abatement at the South Peninsula Hospital Expansion Project (Mayor) (Referred to Finance Committee)

[Clerk's Note: Assembly Member Smith declared a conflict with Ordinance 2009-19-28 as he was employed by a contractor working on the project. President Sprague ruled a conflict did exist and Assembly Member Smith abstained from discussion and voting on Ordinance 2009-19-28.]

MOTION: Superman moved to enact Ordinance 2009-19-28.

President Sprague called for public comment with none being offered.

MOTION TO AMEND: Superman moved to amend Ordinance 2009-19-28 as follows:

The sixth whereas to read, "at its meeting on February 11, 2010, the South Kenai Peninsula Hospital Service Area Board recommended

enactment by unanimous consent;"

MOTION TO AMEND PASSED: Without objection.

VOTE ON MOTION TO ENACT AS AMENDED:

Yes:	Haggerty, Knopp, McClure, Pierce, Smalley, Superman, Sprague
No:	None
Absent:	Fischer
Abstention:	Smith
MOTION TO ENACT AS AMENDED PASSED:	7 Yes, 0 No, 1 Absent, 1 Abstention

(07:58:50)

Ordinance 2010-08: Enacting KPB 16.20.210 Authorizing Billing for Ambulance and Emergency Medical Services by the Kachemak Emergency Service Area (Mayor) (Referred to Finance Committee)

MOTION: Smith moved to enact Ordinance 2010-08.

President Sprague called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes:	Haggerty, Knopp, McClure, Pierce, Smalley, Smith, Superman, Sprague
No:	None
Absent:	Fischer
MOTION TO ENACT PASSED:	8 Yes, 0 No, 1 Absent

(08:00:15)

Ordinance 2010-11: Extending for Six Weeks the Sunset Date of Ordinance 2009-09, Creating a Flood Hazard District within the Seward-Bear Creek Flood Service Area (McClure) (Referred to Lands Committee)

MOTION: Pierce moved to enact Ordinance 2010-11.

President Sprague called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes:	Haggerty, Knopp, McClure, Pierce, Smalley, Smith, Superman, Sprague
No:	None
Absent:	Fischer
MOTION TO ENACT PASSED:	8 Yes, 0 No, 1 Absent

UNFINISHED BUSINESS - None.

NEW BUSINESS

(08:01:32)

Protest of New Liquor License Application Filed by Daggett Limited Liability Corporation dba Open Wine Distributors (Referred to Finance Committee)

MOTION:	Smith moved to issue a non-objection to the issuance of a new liquor license for Dagget Limited Liability Corporation dba Open Wine Distributors.

President Sprague called for public comment.

The following person spoke in support of non-objection:

Nadia Daggett, PO Box 8271, Nikiski

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

VOTE ON MOTION TO ISSUE A NON-OBJECTION:	
Yes:	Haggerty, Knopp, McClure, Pierce, Smalley, Smith, Superman, Sprague
No:	None
Absent:	Fischer
MOTION TO ISSUE A NON-OBJECTION PASSED:	8 Yes, 0 No, 1 Absent

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

(08:04:29)

President Sprague called for public comment with none being offered.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

(08:04:40)

The Flood Plain Task Force would be meeting March 10, 2010 at 6:00 p.m. in the Seward City Hall Council Chambers, Seward, Alaska.

The next meeting of the Kenai Peninsula Borough Assembly was scheduled for April 6, 2010, at 7:00 p.m. in the Borough Assembly Chambers, Soldotna, Alaska.

ASSEMBLY COMMENTS

(08:06:50)

Assembly Member Superman said he would support any efforts made by the Administration to create property tax relief for hardship cases.

Assembly Member Smith said March 10 was Harriet Tubman Day, and Ms. Tubman was a Civil War Hero. He noted it would also be the 301st birthday of Wilhelm Steller, stating that Mr. Steller was the first European Naturalist to visit Alaska and Mr. Steller had made a lasting impact on Alaska by recording various animals during an extremely difficult trip with the Vitus Bering expedition. He listed some of the animals recorded "Steller Sea Lion, Steller Sea Cow, Steller Sea Eagle, and Steller Jay." He hoped that one day there would be a Wilhelm Steller day in Alaska.

Assembly Member McClure thanked the Mayor and Administration for the efforts being extended toward Seward flood and navigability issues. She commended the citizens of Cooper Landing for the work done on the Walkable Community Project, and extended an invitation to her constituents to attend the Flood Plain Task Force Meeting scheduled for March 10, 2010 at 6:00 p.m. in the Council Chambers of Seward City Hall.

Assembly Member Pierce congratulated Duane Bannock for accepting the Acting Chief of Staff Position. He felt the work session held with the Central Peninsula Hospital was very interesting, and had revealed some concerning subject matter regarding healthcare issues and healthcare reform. He said one issue was how the Hospitals were currently structured and operated. He felt the public should be paying close attention to this issue, and looked forward to the Administration and Hospital Boards bringing forward recommendations. He hoped the decisions made would protect the residents of the Borough and Hospitals.

Assembly Member Haggerty reminded everyone that we live in a seismic area, and one of the largest earthquakes on record had occurred in Chile. He felt we shared a common interest with the residents of Chile living in a seismic zone, and we could all be thankful about the Tsunami warning center and system. He said not long ago there was no way of knowing how fast and what size a Tsunami would be, now the ability to warn and protect people in coastal communities was available. His thoughts went out to the people of Chile, who were suffering due to this earthquake.

Assembly Member Knopp said the presentation by James E. Orlikoff of Orlikoff and Associates on the "Future of Healthcare" was very informative, and felt it was unfortunate that it took a presentation for people to acknowledge an existing problem. He said this would begin debate and discussion on the issue, and was hopeful that any changes would be for the good; though, they may not be popular. He stated his appreciation for the opportunity to travel to Washington D.C. as a representative of the Kenai Peninsula Borough, and noted the importance of being involved at the National level.

Assembly Vice President Smalley said Happy St. Urho Day, March 16, 2010 to those who may be Finnish, and Happy St. Patrick Day, March 17, 2010. He wished Assembly Member Smith a Steller day, and said Happy Birthday to Dr. Suess. He invited everyone to the grand opening of Wal-Mart on March 31, 2010.

Assembly President Sprague welcomed Duane Bannock as the Acting Chief of Staff, and hoped Ms. Blankenship had many more years in her capacity as Borough Clerk. He said it was good to see the students in attendance at the meeting, and noted he had turned 50 serving on the Assembly and was now turning 60.

ADJOURNMENT

With no further business to come before the assembly, President Sprague adjourned the meeting at 8:15 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of March 2, 2010.

Johni Blankenship, Borough Clerk

Approved by Assembly: April 6, 2010

KENAI PENINSULA BOROUGH 1964