CALL TO ORDER

A Regular Meeting of the Kenai Peninsula Borough Assembly was held on May 3, 2011, in the Borough Assembly Chambers, Soldotna, Alaska. President Knopp 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 Alan Humphries from the Soldotna Church of God.

There were present:

Gary Knopp, Presiding
Mako Haggerty
Brent Johnson
Sue McClure
Linda Murphy

Charlie Pierce
Hal Smalley
Bill Smith
Ray Tauriainen

comprising a quorum of the assembly.

Also in attendance were:

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

COMMITTEE REPORTS

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

Assembly Member McClure said the Lands Committee met and discussed its agenda item.

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

Assembly Member Smalley said the Legislative Committee met and discussed its agenda item.
APPROVAL OF THE AGENDA AND CONSENT AGENDA

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

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

The following item was removed from the consent agenda:

- **Ordinance 2011-14**: Amending KPB 22.30.110 to Eliminate the Provision of Health Insurance Benefits for Assembly Members (Pierce, Murphy) (Hearing on 06/07/11) (Referred to Policies and Procedures 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.

- **April 19, 2011 Regular Assembly Meeting Minutes**
- **Resolution 2011-042**: Determining the Amount to be Provided from Local Sources for School Purposes During Fiscal Year 2012 (Mayor) (Referred to Finance Committee)
- **Resolution 2011-043**: Approving Twenty-Seven Unincorporated Communities for Participation in the State's Fiscal Year 2012 Community Revenue Sharing Program (Mayor) (Referred to Finance Committee)
- **Resolution 2011-044**: Approving an Intergovernmental Cooperative Agreement Between the State of Alaska, Department of Natural Resources, Division of Forestry, and the Kenai Peninsula Borough on Behalf of Itself and Central Emergency Service area, Nikiski Fire Service Area, Bear Creek Fire Service Area, Anchor Point Fire and Emergency Service Area, and Kachemak Emergency Service Area (Mayor) (Referred to Policies and Procedures Committee)
- **Resolution 2011-045**: Declaring the Borough Assembly to be Malapportioned and Authorizing the Assembly President to Appoint a Reapportionment Committee (Knopp) (Referred to Policies and Procedures Committee)

*Clerk’s Note: Technical amendments were made to Resolution 2011-045 as follows: Title to read, “A Resolution Declaring the Borough Assembly and Board of Education to be Malapportioned and Authorizing the Assembly President to Appoint a Reapportionment Committee” Insert a new fifth whereas to read, “this malapportionment equally affects the Board of Education, as the Board of Education is apportioned into districts which mirror those of the Borough Assembly;” Section 1 to read, “That the existing apportionment of the Kenai Peninsula Borough Assembly and the Kenai Peninsula Borough Board of Education are [is] not consistent with the equal representation standards of the Constitution of the United States and [THE ASSEMBLY IS] are, therefore, declared to be malapportioned.” Section 2 to read, “That the Assembly President is authorized to appoint a Reapportionment...*
Committee to review assembly and board of education apportionment and the distribution of population within the Borough, to conduct hearings and solicit public comments with respect to assembly and board of education apportionment, and to develop one or more plans for assembly and board of education apportionment for consideration by the Borough Assembly.” Insert a new Section 3 to read, “That the Board of Education shall participate and have representation on the Reapportionment Committee.” Renumber existing Sections accordingly. Newly renumbered Section 4 to read, “That the Reapportionment Committee shall file a report recommending one or more plans for assembly and board of education apportionment with the Borough Clerk no later than Thursday, June 23, 2011, for inclusion in the Assembly Packet of July 5, 2011.” Newly renumbered Section 5 to read, “That the Borough Assembly shall submit one or more plans for assembly and board of education apportionment to the voters at the October 4, 2011 regular borough election.”

- Ordinance 2010-19-44: Appropriating Supplemental Funding in the amount of $60,000 to Cover Costs Associated with Board of Equalization Hearings (Mayor) (Shortened Hearing on 05/17/11) (Referred to Finance Committee)

- Ordinance 2010-19-45: Appropriating $32,585 into the Borough's School Revenue Capital Project Fund for Improvements to School Facilities (Mayor) (Shortened Hearing on 05/17/11) (Referred to Finance Committee)

- Ordinance 2010-19-46: Appropriating $348,257 to the Special Assessment Fund for the Poppy Ridge Road Improvement Special Assessment District (Mayor) (Shortened Hearing on 05/17/11) (Referred to Finance Committee)

- Ordinance 2011-13: Amending KPB 22.30.110(C) to Require Assembly Members Who Accept Borough Health Insurance Coverage to Pay 30 Percent of the Cost of Providing Such Coverage (Smith) (Hearing on 06/07/11) (Referred to Policies and Procedures Committee)

- Ordinance 2011-15: Amending KPB Chapter 14.04, Road Construction and Right-of-Way Acquisition, and KPB 17.10.030, Acquisition of Lands and Resources, to Authorize the Mayor to Acquire Easements for Road Improvement Projects without Assembly Approval (Mayor) (Hearing on 06/07/11) (Referred to Lands Committee)

- Ordinance 2011-19: Appropriating Funds for Fiscal Year 2011-2012 (Mayor) (Hearings on 05/17/11 & 06/07/11) (Referred to Finance Committee)

- Approving an Application for a Restaurant Designation Permit Filed by Freddies Roadhouse, Inc. dba Freddies Roadhouse, Inc. (Referred to Finance Committee)

- Approving an Application for a Restaurant Designation Permit Filed by New Discovery LLC dba Tito's Discovery Café (Referred to Finance Committee)

- Authorizing an Application for a New Liquor License and Restaurant Designation Permit Filed by Glenn Sackett dba Sacketts Kenai Grill (Referred to Finance Committee)
President Knopp called for public comment with none being offered.

AGENDA APPROVED AS AMENDED: Unanimous.

COMMENDING RESOLUTIONS AND PROCLAMATIONS

Mayor Carey presented Carl Glick with a proclamation declaring the month of May 2011 as “Motorcycle Awareness Month.”

PRESENTATIONS WITH PRIOR NOTICE

Ryan Smith, Chief Executive Officer of the Central Peninsula Hospital, Inc. and Loren Karp Weimer, President of the Central Peninsula General Hospital, Inc. Board presented the quarterly report for the period ending December 2010.

Kenai Peninsula Borough School District Student members of Teens Against Tobacco Use (TATU) gave a video presentation on “Wellness in Alaska.”

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

President Knopp called for public comment.

Dennis Barnard, 335 Dolchok Lane, Kenai addressed the Assembly regarding the previous enactment of Ordinance 2010-36 Substitute.

LaDawn Druce, 38846 Lake Terrace Drive, addressed the Assembly regarding “National Teacher Appreciation Day” and the adoption of Resolution 2011-042.

Peter Micciche, Mayor of the City of Soldotna, addressed the Assembly regarding the Soldotna Community Memorial Park.

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

MAYOR’S REPORT

1. Assembly Requests/Responses - None.

2. Agreements and Contracts

   a. Authorization to Award Contracts for the Invitation to Bid - ITB11-041 Site Preparation for KPB 2011 Reforestation Project to Quayanna Development Corporation

   b. Authorization to Award Contract for Playground Equipment Module to SiteLines Park & Playground
c. Request for Sole Source Waiver for McNeil Canyon Elementary School Re-Roof, Professional Design Services

d. Intent to Award Lease for Seward Office Space to SeaView Community Services

e. Authorization to Award Contract for Central Peninsula Landfill Leachate System Cell 1 Design Modifications

f. Authorization to Award Contract Through a Cooperative Purchasing Group for the Purchase of student lockers for installation at Kenai Middle School, Kenai Central High School, and Soldotna High School to King County Director's Association

3. Other


b. Memo regarding staffing at Kenai River Center

c. Project Reports March 31, 2011

d. Investment Portfolio Report

ITEMS NOT COMPLETED FROM PRIOR AGENDA - None.

PUBLIC HEARING ON ORDINANCES

Ordinance 2010-19-40: Authorizing and Appropriating Funds for Central Peninsula General Hospital, Inc. to Purchase Computerized Provider Order Entry and Continuity of Care Document Exchange Systems (Mayor) (Referred to Finance Committee)

MOTION: Smith moved to enact Ordinance 2010-19-40.

President Knopp called for public comment with none being offered.

MOTION TO AMEND: Smith moved to amend Ordinance 2010-19-40 as follows:

The sixth whereas to read, “the CPGH, Inc., board at its March [30] 31, 2011, meeting approved the purchase of the Computerized Provider Order Entry and Continuity of Care Document Exchange Systems from the
MOTION TO AMEND PASSED: Unanimous.

MOTION TO AMEND: Smith moved to amend Ordinance 2010-19-40 as follows:

Section 2 to read, “That $455,148 in CPGH, Inc. Plant Replacement and Expansion funds are appropriated to account no. 490.20602 for the purchase authorized in section 1 of this ordinance.”

MOTION TO AMEND PASSED: Unanimous.

[Clerk’s Note: The correct account number for the Section 2 amendment was not provided prior to the public hearing, after consultation with the Finance Director the account number was corrected to 490.81110.11CCD.48516.]

VOTE ON MOTION TO ENACT AS AMENDED:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO ENACT AS AMENDED PASSED: 9 Yes, 0 No, 0 Absent

Ordinance 2010-19-41: Accepting and Appropriating $101,272 from the U.S. Department of Interior for the Kachemak Drive Bluff Erosion Study under the Coastal Impact Assistance Program (Mayor) (Referred to Finance Committee)

MOTION: Smith moved to enact Ordinance 2010-19-41.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO ENACT PASSED: 9 Yes, 0 No, 0 Absent
Ordinance 2010-19-42: Accepting and Appropriating $151,271 from the U.S. Department of Interior for the Seward Weather and Ocean Observing Systems Project Under the Coastal Impact Assistance Program (Mayor) (Referred to Finance Committee)

MOTION: Smith moved to enact Ordinance 2010-19-42.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO ENACT PASSED: 9 Yes, 0 No, 0 Absent

Ordinance 2011-06: Amending KPB 5.18.430, Computation-Maximum Tax, By Increasing the Maximum Amount of a Sale Subject to the Borough Sales Tax to $2,500 and Deleting the Requirement that any Change to this Amount be Approved by at Least 60 Percent of the Voters (Knopp, Mayor) (Referred to Policies and Procedures Committee)

MOTION: Haggerty moved to enact Ordinance 2011-06.

President Knopp called for public comment.

The following people spoke in opposition to Ordinance 2011-06:

Laura Horner, PO Box 61, Sterling
Kevin Austin, 35315 Rockwood Drive, Soldotna
Gina Stahlecker, 21610 Terril Street, Kasilof
Tim Cashman Jr., 557 Pace Street Soldotna
George Pierce, PO Box 80, Kasilof
Pat Porter, Kenai City Mayor
Peter Micciche, Soldotna City Mayor
Michael Colton, 34313 Jabila Drive, Soldotna
Carroll Bannock, 1908 Aliak Drive, Kenai
Travis Swanson, River Road, Kasilof
Ron Long, 2531 Wizard Avenue, Seward
Linn Plous, 100 Trading Bay, Kenai
Norm Blakeley, 35440 Kenai Spur Highway, Soldotna
Fred Sturman, 136 Riverview, Soldotna
Tim Cashman Sr., PO Box 3143, Soldotna
Ed Oberts, 209 W. Katmai Avenue, Soldotna
Tim Navarre, PO Box 2009, Kenai
Norm Mortenson, 830 Brooks Avenue, Soldotna

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

Assembly Members Murphy, Smalley, Smith, Pierce, and Haggerty spoke in opposition to Ordinance 2011-06.

President Knopp passed the gavel to Vice President Pierce and spoke in opposition to Ordinance 2011-06. Vice President Pierce returned the gavel.

VOTE ON MOTION TO ENACT:
Yes: None
No: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
Absent: None
MOTION TO ENACT FAILED: 0 Yes, 9 No, 0 Absent

Ordinance 2011-07: Reducing the Number of Kenai Peninsula Borough Planning Commissioners from 13 to 11 (Johnson) (Referred to Policies and Procedures Committee)

MOTION: Haggerty moved to enact Ordinance 2011-07.

President Knopp called for public comment.

The following people spoke in support of Ordinance 2011-07:

Kevin Austin, 35315 Rockwood Drive, Soldotna
Norm Blakeley, 35440 Kenai Spur Highway, Soldotna
Travis Swanson, River Road, Kasilof

The following person spoke in opposition to Ordinance 2011-07:

Jim Isham, 37150 Aspenwood Court, Sterling

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

MOTION TO AMEND: Johnson moved to amend Ordinance 2011-07 as follows:

The fifth whereas to read, “according to the most current census data, the City of Seldovia has less than [300] 260 residents, while the other first class cities in the borough all have more than 2,600 residents; and”
MOTION TO AMEND PASSED: Unanimous.

Assembly Members Johnson, Tauriainen, and Pierce spoke in support of Ordinance 2011-07.

Assembly Members Haggerty, McClure, and Murphy spoke in opposition to Ordinance 2011-07.

MOTION TO POSTPONE: Johnson moved to postpone Ordinance 2011-07 until September 6, 2011.

Assembly Members Pierce, Smith, and Smalley spoke in support of postponement of Ordinance 2011-07.

President Knopp passed the gavel to Vice President Pierce and spoke support of postponement of Ordinance 2011-07. Vice President Pierce returned the gavel.

VOTE ON MOTION TO POSTPONE:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO POSTPONE PASSED: 9 Yes, 0 No, 0 Absent

Ordinance 2011-08: Waiving the Public Voter Approval Requirement in KPB 5.04.110 for the Homer Solid Waste Transfer Facility Capital Improvement Project (Mayor) (Referred to Policies and Procedures Committee)

MOTION: Haggerty moved to enact Ordinance 2011-08.

President Knopp called for public comment with none being offered.

MOTION TO AMEND: Haggerty moved to amend Ordinance 2011-08 as follows:

Insert a new tenth whereas to read, “initiative 05-01 amending KPB 5.04.110 requiring a supermajority voter approval for borough capital projects has been held invalid by the superior court but as to the 60 percent supermajority requirement and the voter approval requirement; and”

MOTION TO AMEND PASSED: Unanimous.
VOTE ON MOTION TO ENACT AS AMENDED:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO ENACT AS AMENDED PASSED: 9 Yes, 0 No, 0 Absent

UNFINISHED BUSINESS - Postponed Item.

Resolution 2011-039: Waiving for Good Cause the February 15, 2011 Deadline for Senior Citizen and Disabled Veteran Exemption Applications Filed After that Date but on or Before March 31, 2011 (Mayor) (Referred to Policies and Procedures Committee)

[Clerk’s Note: Motion to adopt Resolution 2011-039 and the Murphy amendment were on the floor from the April 19, 2011 meeting.]

President Knopp called for public comment with none being offered.

MOTION TO AMEND (SECONDARY): Smith moved to amend Resolution 2011-039 as follows:

President Knopp passed the gavel to Vice President Pierce and spoke in opposition to the secondary amendment. Vice President Pierce returned the gavel.

Assembly Member Johnson spoke in opposition to the secondary amendment.

VOTE ON SECONDARY AMENDMENT:
Yes: Haggerty, McClure, Smith, Tauriainen
No: Johnson, Murphy, Pierce, Smalley, Knopp
Absent: None
SECONDDARY AMENDMENT FAILED: 4 Yes, 5 No, 0 Absent

VOTE ON MAIN MOTION TO AMEND:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MAIN MOTION TO AMEND PASSED: 9 Yes, 0 No, 0 Absent

MOTION TO AMEND:
Murphy moved to amend Resolution 2011-039 as follows:

Assembly Member Tauriainen spoke in opposition to the amendment.

VOTE ON MOTION TO AMEND:
Yes: Haggerty, Murphy, Pierce
No: Johnson, McClure, Smalley, Smith, Tauriainen, Knopp
Absent: None
MOTION TO AMEND FAILED: 3 Yes, 6 No, 0 Absent

VOTE ON MOTION TO ADOPT AS AMENDED:
Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: None
MOTION TO ADOPT AS AMENDED PASSED: 9 Yes, 0 No, 0 Absent

NEW BUSINESS

Ordinance 2011-14: Amending KPB 22.30.110 to Eliminate the Provision of Health Insurance Benefits for Assembly Members (Pierce, Murphy) (Hearing on 06/07/11) (Referred to Policies and Procedures Committee)

MOTION: Haggerty moved to introduce Ordinance 2011-14 and set for public hearing on June 7, 2011.

President Knopp called for public comment.

The following person spoke in support of introduction of Ordinance 2011-14:

Norm Blakeley, 35440 Spur Highway, Soldotna

The following person spoke in opposition to the introduction of Ordinance 2011-14:

Tim Navarre, PO Box 2009, Kenai

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

President Knopp passed the gavel to Vice President Pierce and spoke in opposition to the introduction of Ordinance 2011-14. Vice President Pierce returned the gavel.

Assembly Members Pierce, Johnson, and Murphy spoke in support of the introduction of Ordinance 2011-14.
Assembly Members Smalley, Tauriainen, McClure, and Smith spoke in opposition to the introduction of Ordinance 2011-14.

VOTE ON MOTION TO INTRODUCE AND SET FOR PUBLIC HEARING:
Yes: Johnson, Murphy, Pierce
No: Haggerty, McClure, Smalley, Smith, Tauriainen, Knopp
Absent: Absent
MOTION TO INTRODUCE AND SET FOR PUBLIC HEARING FAILED: 3 Yes, 6 No, 0 Absent

PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

President Knopp called for public comment with none being offered.

ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

The next meeting of the Kenai Peninsula Borough Assembly was scheduled for May 17, 2011, at 7:00 p.m. in the Borough Assembly Chambers, Soldotna, Alaska.

ASSEMBLY COMMENTS

Assembly Member Haggerty thanked the Lands Department and Administration for working toward solving some of the grazing lease issues that were brought to his attention. He noted that it was time to consider more agricultural type industries considering the warmer climate. He thanked Mayor Carey for the “Motorcycle Awareness Month” proclamation, and invited everyone to attend the Shorebird Festival in Homer, May 5 - 8, 2011.

Assembly Member Johnson thanked the public for their participation in the meeting, he noted a former Assembly President and two former Chief of Staff had testified. He said it was a good meeting; however, he had missed his daughter’s Valedictorian Speech at Kenai Peninsula College.

Assembly Member McClure stated it was good to see the Kenai Peninsula Borough School District Board Members during their meeting on May 2, 2011 in Seward. She said commitment from the Planning Commission was very valuable and hoped that an equitable agreement could be found which addressed both the cost and representation issues.

Assembly Member Tauriainen noted it was his granddaughter, a Nikiski High School freshman who came up with the idea of using tires for noise abatement at the Twin Cities Raceway. He also recommended attending the play being held at Nikiski Middle/High School on Friday, May 6, 2011 called “This Aint’ Broadway.”

Assembly Member Smith congratulated Lawrence and Rachel Livingston, owners of Ring of Fire Meadery in Homer, which brought home four gold medals from the Mazer Cup International held in Boulder Colorado. He said the University of Alaska Board of Regents had elected to award Mary Epperson of Homer with the 2011 Meritorious of Service Award in recognition of her long service
to the University as well as other community functions. He noted he was considering a trip to Juneau and if the opportunity was presented he wanted to represent the Kenai Peninsula Borough Assembly’s position on the Kenai Peninsula Borough Capital Projects.

**MOTION TO SUSPEND THE RULES:** Murphy moved to suspend the rules and extend the meeting deadline by one half hour until midnight.

**MOTION TO SUSPEND THE RULES PASSED:** Unanimous.

Assembly Member Murphy in response to a public comment made earlier in the evening regarding funding schools, clarified that the Kenai Peninsula Borough Schools had among the highest test scores in the state, excellent teacher, and one of the lowest percentage of administrators compared to teachers in the state. She stated that the Kenai Peninsula Borough Schools, School Board, and School Administration did an excellent job.

Assembly Member Smalley stated that the Kenai Alternative School would be having its largest graduating class in history this year. He noted that his participation in the May 17, 2011 Assembly Meeting would be via teleconference. He said the Homer Electric Independent Light Project would be beneficial to borough residents as it would create about 200 jobs for the next 18 months and the end product would be cheaper, affordable energy. He welcomed the new Human Resource Director Mark Dixon, and congratulated Duane Bannock on his appointment as interim Capital Projects Director. He requested legislation be brought forward to correct the 60 percent voter requirement as stated in KPB 5.18.430 (F).

Vice President Pierce said credit needed to be given to much of the business taking place within the borough, from borough employees and school teachers; however, understood some opinions that to much money was being spent on those services. He stated that it was time for government to pay attention to the bottom line, listening to the public speak during the meeting clearly indicated that the public cannot afford more spending. He encouraged those same public members to continue coming to the meetings and participate with the budget process. He requested an additional budget work session in order to consider some suggestions made by the public.

President Knopp thought the idea of building a sound barrier wall out of used tires was a good idea, he hoped that it would help reduce some of the noise. He did encourage the public to get involved with the budget process this year. He stated that tonight the public in attendance favored spending cuts; however, when the cuts are being made the audience were generally people who needed the funding. He said Assembly Member Smith was requested to Representative Seaton to travel to Juneau to present the boroughs second capital project priority.

**MOTION:** Johnson moved to authorize Assembly Member Bill Smith to travel to Juneau Alaska and meet with Alaska Legislative Representatives to discuss the Kenai Peninsula Borough Priorities.
MOTION PASSED: Unanimous.

ADJOURNMENT

With no further business to come before the assembly, President Knopp adjourned the meeting at 11:38 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of May 3, 2011.

Johni Blankenship, Borough Clerk

Approved by Assembly: May 17, 2011